EGYPT'S RUIN

A FINANCIAL AND ADMINISTRATIVE RECORD

THEODORE ROTHSTEIN

WITH AN INTRODUCTION BY

WILFRID SCAWEN BLUNT

LONDON

[illegible] PRINTED AT CLIFFORD'S INN

[illegible]

EGYPT'S RUIN

A FINANCIAL AND ADMINISTRATIVE RECORD

BY

THEODORE ROTHSTEIN

WITH AN INTRODUCTION BY

WILFRID SCAWEN BLUNT

"Sir, there is still corn in Egypt, and there are not wanting those who are ready to reap where they have not sown. But I trust that they may fail in their machinations, and that better days and a more lasting, because a more securely founded, prosperity may yet be in store for that interesting and hospitable country, and for its amiable, peaceful, and industrious inhabitants."

Sir Stephen Cave in the House of Commons.

LONDON
A. C. FIFIELD, 13, CLIFFORD'S INN
1910

WILLIAM BRENDON AND SON, LTD.
PRINTERS, PLYMOUTH

CONTENTS

CONTENTS

PART III

THE ADMINISTRATION OF EGYPT

PART IV

THREE YEARS OF A NEW RÉGIME

INTRODUCTION

MR. GLADSTONE used to excuse himself, a generation ago, for the bombardment of Alexandria by maintaining that it was a "duty of honour" that had taken him to Egypt, the carrying out of engagements contracted by his predecessors in office, but that, having restored order, he would withdraw his troops from it (a duty also of honour) at the earliest possible date.

To-day, after twenty-eight years, we find Sir Edward Grey repeating as Mr. Gladstone's successor the same phrases of duty and honour in excuse of an avowed intention to stay on permanently in Egypt, his argument, as far as it is understandable, being that, as we have been there for so long a period restoring order and managing their affairs for the Egyptians without having brought them to a cheerful acquiescence in our presence or gained their gratitude, it would be a "disgrace" to us now to abandon our task and leave them to the "chaos" he assures us would result.

I am inclined to think that, though this new explanation has met with no open protest from Sir Edward Grey's Liberal followers in the House of Commons, there must be at least a few honest men among the rank and file of English and Scotch Liberalism who will have found it a little hard to accept as meat suited to their political digestion. They must have guessed a flaw in so strange an argument of honourable duty towards a people connected by no recognised tie with the British Empire, in whose country England has no legal status, and who openly declare that they have long ceased to need us,

and clamour now that we should be gone. What, such Liberals of the old school well may ask, is the moral reason, since duty is appealed to, which obliges us to govern the Egyptians against their will? If it is true in fact that we have for so many years done and are continuing to do them good, why is it that they regard us so bitterly? If we have really saved them and are saving them still from chaos, why are they so earnest in wishing us away? Above all, why is it that we are obliged, in order to maintain the régime we have imposed upon them, to treat them, not as the friends we profess to be, but as a conquered people, abolishing at this late date of our occupation the freedom of their press, refusing the promised development of their institutions, re-establishing among them arbitrary rule, putting them under the control of a new secret police, with espionage, domiciliary visits, arrests, deportations, and imprisonments, just as in the worst of former times, treating all demands that we should fulfil our promised evacuation of their country as "sedition," and threatening, if these lighter methods of coercion fail, to fall back with them on plain martial law?

This book will, I believe, give the true answer to a riddle so perplexing. It is the work of one who though not himself an Englishman has by his long residence among us made of England his adopted home, and who has her honour sincerely at heart, and not the less sincerely because he sees that on this particular question of Egypt our people have been long astray and are now in imminent danger of committing themselves irrevocably on an unworthy and most dangerous road. It is a work of great industry undertaken by a mind singularly well adapted to its subject both by its extreme accuracy and by its intimate knowledge of those hidden springs of action which in money interests control the world of affairs in Europe and menace England with her imperial downfall. He attributes this perilous state of things more than all else to ignorance and to the little time devoted by a busy

nation to affairs not its own, leading it to place too great confidence in the wisdom of Ministers, almost equally ignorant, who are charged with its interests abroad. He believes that, if the whole true sordid history of the financial and diplomatic dealings with Egypt were laid bare, it would be impossible that English Liberals could any longer consent to be deluded by the tale of the good done by English intervention in the past or led a step further by their official leaders in Parliament in courses so illiberal.

In this belief and plea of English ignorance, including ministerial ignorance, I would willingly associate myself. I remember well how in the summer of 1882, at the time when the guns of Sir Beauchamp Seymour's fleet were opening fire on Alexandria (no one exactly knew why), a little pamphlet appeared under the title, "Spoiling the Egyptians, a tale of shame," which gave a vivid résumé gathered from the Blue Books, of the money-lending intrigue which had led our Government to take up and make their own the cause of Egypt's creditors against the Egyptian people, and how that good Radical, the late Sir Wilfrid Lawson, when he read it exclaimed, "If this had been published a month ago, The Grand Old Man never could have consented to such an iniquity." And it was true. The pamphlet went through half a dozen editions in as many weeks, and roused the indignation and remorse of every true Liberal that read it; and, though the reaction of pity was too late to stop the war, it shamed the Government of the day into a declaration of amends to be made to the Egyptian people, which resulted in those solemn promises made to them repeatedly, and quoted at the end of this Introduction that their rights as a free nation should be respected and something of their constitutional liberty be restored to them.

Twenty-eight years have passed since then, and Mr. Seymour Keay's pamphlet has long gone out of print and from the memories of all but a very few political survivors of its day, and the financial facts revealed by

it, though never met or refuted, have ended by being obscured and so completely forgotten that I doubt if a single member of the present Cabinet, except possibly Lord Morley, could give a clear account of how our Egyptian intervention came about. Sir Edward Grey is, I believe, himself profoundly ignorant of the whole history; nor is there an independent English member of the House of Commons left to supply the information from personal memory. Sir Charles Dilke might do so, but he is uniformly silent, and with cause; and the only competent and courageous speaker on Egyptian questions heard any longer in the House is Mr. John Dillon, representative of no English constituency, but an Irish Home Ruler.

The consequence of this universal ignorance is that in the public mind a series of semi-official legends has grown up about our relations with Egypt altogether at variance with the facts, and that those interested financially in perpetuating England's occupation of the Nile Valley have secured the whole field of persuasion to themselves, flattering our national pride with the assurance that all has been straightforward and successful in the past and so may be trusted to be straightforward and successful still. The legend which commands general acceptance is that England's first appearance on the Egyptian stage was one wholly beneficent; that she was not responsible for Egypt's indebtedness, but saved her from bankruptcy, and so from ruin; that she has been uniformly successful since, in her management of Egyptian finance; that there has been no flaw in her official honesty; that the whole prosperity of the country is due to her initiative; that the lot of the agricultural peasantry is one of affluence and without parallel in the past; and that, if modern Egypt is, as Sir Edward Grey declares it to be, ungrateful, the fact is referable not to any fault of England's, but to the short memory of the younger generation of Egyptians and to the proverbial ingratitude of nations.

It is very possible that Sir Edward Grey believes the

legend thus presented; but it is not, for his believing it, more true; and I venture to hope that this volume may be of use to him, and certainly to his still more ignorant colleagues in the Cabinet. Its principal use to them and to other Liberals will be to have told to them again, in ampler detail and brought down to date, the story of the forgotten pamphlet, and to remind them of the initial wrong done to the Egyptians by England as a money-lending nation backed by military force, and to expose to their right understanding the true financial position now. It will give honest Liberals, not members of the Government, an opportunity of learning, without the necessity of wading through innumerable State Papers, the true facts of Egypt's financial history of the last forty years, and so of disabusing themselves of the pseudo-history with which the national conscience has been lulled to a long criminal injustice by a series of official apologists, including that least trustworthy of them all, Lord Cromer.

They will not find it flattering to the national self-esteem, but it will be a more wholesome meat than the other, and one which may help to restore their moral fibre to its lost critical vigour; and, though I have little confidence that our permanent Foreign Office officials, who provide the Secretary of State with his facts, will be affected by a re-reading of their past mistakes so far as to recommend to him any less unworthy policy, I still think that ideas of justice and honour may be appealed to not entirely in vain when addressed to the Cabinet as a whole. At any rate the attempt is worth making, and I am happy to associate myself with a work so designed. Finance is a subject little congenial to me, and I could not have ventured to treat that of Egypt independently in a work of my own, but I have been long conversant with the main facts of the financial case, and recognise at once the extreme value of what here stands written. Readers will find in it the truth set plainly forth in chapter and verse as never to my knowledge before.

To tabulate its corrections of official pseudo-history, they will find answers to the following generally received but erroneous ideas :—

1. That Egypt, before our intervention in her affairs, was a barbarous land, where universal ignorance prevailed and where there were neither law nor order nor the common safeguards for life and property.

2. That our intervention was not of our own choice, but was forced on us by circumstances we could not avoid.

3. That it was continued unwillingly, owing to further circumstances equally beyond our control.

4. That Egypt owes all her present material prosperity to England.

5. That she ought to be especially grateful to us for having saved her from bankruptcy.

6. That our management of her finance has been uniformly honest and successful.

7. That it is a duty we owe to her and to ourselves still to manage it.

8. That the Egyptians are incapable of understanding their own interests.

9. That if we evacuate the country, Egypt would relapse into chaos.

10, and lastly. That an experiment in self-government has been recently tried and failed, and that it is therefore useless to proceed further in that direction, a despotic government by foreigners being the only one possible.

None of these legends, fairly examined, will be found to be true; but very few Englishmen know precisely where the exaggeration and the falsehood lie or have the leisure to instruct themselves by reference to trustworthy documents. They will find all such plentifully quoted here; and it is to be hoped that at least some readers who are members of the House of Commons may be induced to remonstrate publicly with those charged with

our Egyptian policy against its continuance on lines which have been neither honest nor liberal in the past, nor yet have prospect of any honourable issue in the future. I would refer these most especially at the present moment to the latest chapters of the volume, those dealing with the finance of the last half-dozen years since the Caisse de la Dette was abolished, to the passages relating to the financial drain laid upon Egypt in English interests in the Soudan, and to the recent quarrel over the Suez Canal Convention. With regard to this last, the text will be found, in the Appendix, of the notorious Report of the Committee of the General Assembly so long and so persistently denied to the House of Commons by Sir Edward Grey, a Report which has been represented as a proof of the Assembly's incompetence, but which will be seen to be a closely reasoned and indeed unanswerable exposition on Egypt's part of the interests, which it was proposed to sacrifice in the drafted Convention. That a document of such essential importance to our judgment of the Egyptian claim to self-government should have been withheld from the House of Commons during the whole of last Session is a proof of our Foreign Office's ill faith, perhaps the most remarkable of the whole long series of deceptions and false reasonings which signalise its relations with Egypt during the past forty years.

This, I repeat, should be the use of the book to Liberal readers. To mere "right or wrong" Imperialists, whose view of England's duty in the world is only that of extending her dominions and extracting what profit she can out of such Eastern nations as may have had the misfortune to fall into her grip, another line of argument may here be used with more advantage, and to Liberals, too, as a supplement to that of honour. Through the long military occupation of Egypt, the Nile Valley has come to be regarded as a British possession, where we have rights as well as interests of a permanent kind, rights which the world recognises and which will continue

to be recognised. This, too, is a dangerously untrue legend which has grown up amongst us through our ignorance of European politics and of the conditions and ambitions of the great Continental Powers. If any one will take the trouble of looking at the map of the old world and at the position held in it by Egypt, dominating as it does the high road of communication between the Mediterranean and the Indian Seas, he will recognise that, however important that position may seem to ourselves (a far-away Oceanic Power with an alternative Oceanic route) as lying on our nearest road to India, it is vastly more important to Continental Europe, which has its seaports close by on the Mediterranean, an importance which, as years go on and the volume of its sea-borne trade comes to preponderate over ours, will constantly increase. No one can doubt that one day, and at no remote date, Germany will be added to the number of the Mediterranean Powers, and it is altogether inconceivable that then either she or Austria or Italy, with their commercial ambitions and their political alliance, will remain indifferent to Egypt's political status, or permit it to continue in the hands of their powerful English commercial rival, who has no right to it and whose interests in it are altogether less direct than their own. As a matter of fact, none of these Powers have ever acknowledged our permanent right of occupying the Nile Valley, nor do they intend it shall continue in English hands longer than it may be to their own convenience or than the proper occasion of insisting on our withdrawal shall be postponed. Even France, with whom six years ago we came to a written understanding about Egypt, in exchange for a like concession by us in regard to Morocco, would, I believe, refuse to agree to annexation by us or to any declared form of permanent Protectorate.

Still less is it to be expected that the Ottoman Government or the Sultan, who is Egypt's legal sovereign, will, except upon compulsion of the most absolute kind, cede to us any permanent right of occupation or diminution of the

Ottoman claim on Egypt as an integral part of the Ottoman Empire. The present Government at Constantinople may have every will in the world to remain on good terms with us, but they will not extend their compliance with our wishes further than to a postponement of the decision.

It is idle to expect Egypt thus to become ours either by law or diplomacy ("larceny or emption" was Mr. Gladstone's old phrase!). English Imperialists may therefore put all such ideas out of their heads. We shall obtain a legal status for the incorporation of Egypt in our Empire from no one concerned. Our actual position there, of being in irregular "military occupation of an Ottoman province" (it was defined thus by Mr. Balfour), may be tolerated for a few more years, but it will continue only as long as it suits the Sultan and the Powers to allow it or our own warlike strength against the world to maintain it—not a day longer.

Now, I would beg those who insist upon the retention of Egypt "right or wrong" to consider what our position will be when the day of ultimate reckoning comes. The idea in Lord Cromer's time, for some dozen or more years, was that we were gradually converting the Egyptians to an enthusiastic acquiescence in our occupation of their country, military and administrative. It was argued that the blessings of peace and material prosperity, of justice according to regular forms of law, of a free press, and of something remotely resembling free institutions, with the contrast displayed on these points with the then benighted condition of the rest of the Ottoman Empire, would suffice to retain popular feeling on our side in the case of a war with a great Power, even (so Lord Cromer imagined) if it should be a war with the Sultan. In 1904 the long opposition of France having been withdrawn, Lord Cromer was so confident of having gained for England this popularity that he actually proposed to our War Office at home that the Cairo garrison might be dispensed with and the cost of it as unnecessary applied to other

purposes. But the optimistic dream was of very short duration. In hardly more than a year from that date, having rashly entered on a dispute with the Sultan in a matter where he ventured to pose as champion of Egypt's territorial rights, he found to his amazement that all native Egypt was against him, and to the extent that he began to see in it a Panislamic plot. Denshawai followed, which disclosed the underlying hatred with which England was regarded, and completed his disillusion; and in 1906 we found him passionately calling for more English regiments to reinforce the very garrison he had asked in 1904 to be relieved of. Still more certain is it now that our continuance in Egypt is resented by its inhabitants. The spectacle of the revolution at Constantinople, of the sudden rehabilitation of Turkey, and the decree of an Ottoman Constitution, has inspired native Egypt with both hope and courage—courage to assert itself, and hope of success. No one can any longer doubt that it will be with an entirely hostile Egypt that we shall have to deal when the day of our war with Europe comes.

And what will be our moral position then before the world? Having no legal right, even that of declared invaders of a country with which we are nominally at peace (for we are in Egypt as friends of the Sovereign, his guests), we shall have to violate every usage and custom of civilised humanity in order to maintain ourselves in the false position into which we shall have drifted. We shall not be able to console ourselves any longer with illusions of philanthropy. Our long dishonesty will have recoiled on us; and there is a large probability that we shall be compelled to withdraw under circumstances of just that real "disgrace" Sir Edward Grey declares himself so anxious to avoid. And to what purpose even of imperial profit are we there? Egypt's advantage to England, apart from the few well-paid posts it provides for the younger sons of our ruling class, is almost nil. Though we have administered the country for nearly thirty years

we have not made even a beginning of colonising it. France, Italy, Greece, all three nations, are far more largely represented in the foreign resident population than we are; and, but for our soldiers in garrison and a few hundred Maltese, there would be almost no British subjects in the whole Nile Valley. We possess no special commercial privileges which other nations do not enjoy, and there is hardly an English landowner in the Delta or an English shopkeeper at Cairo. Our position in Egypt benefits a few score British employés and capitalists (chiefly Jews), a few bankers, contractors, and company-promoters, but no one else. Is it for the sake of these few, and the imperial glory of the thing, that we are to go on running the risks of loss and irreparable dishonour? Surely the exiguity of the advantage is not worth, even in l. s. d., the possible cost.

WILFRID SCAWEN BLUNT

August 25, 1910

P.S.—I append a short record of the chief promises and declarations made in England's name by her official representatives affecting the moral and legal case. I press them on the initial attention of readers, too idle, it may be, to go through the whole history, or grown callous to the unredeemed pledges of twenty and thirty years ago. They will serve as a goad to their consciences.

ENGLAND'S PLEDGES

"The policy of H.M.'s Government towards Egypt has no other aim than the prosperity of the country and its full enjoyment of that liberty which it has obtained under successive firmans of the Sultan. . . . It cannot be too clearly understood that England desires no partisan Ministry in Egypt. In the opinion of H.M.'s Government a partisan Ministry founded on the support of a foreign Power, or upon the personal influence of a foreign diplomatic agent, is neither calculated to be of service to the country it administers, nor to that in whose interest it is supposed to be maintained". (Lord Granville's despatch, November 4, 1881; Egypt, No. 1 (1882), pp. 2, 3.)

"I shall use my influence to maintain the rights already established, whether by the firmans of the Sultan or by various international engagements, in a spirit favourable to the good government of the country and the prudent development of its institutions". (Queen Victoria's Speech to Parliament, February 7, 1882.)

"The Government represented by the undersigned engage themselves, in any arrangement which may be made in consequence of their concerted action for the regulation of the affairs of Egypt, not to seek any territorial advantage, nor any concession of any exclusive privilege, nor any commercial advantage for their subjects other than those which any other nation can equally obtain." (Self-denying protocol signed by Lord Dufferin, together with the representatives of the five other great Powers, June 25, 1882; Egypt No. 17 (1882), p. 33.)

"I, admiral commanding the British fleet, think it opportune to confirm without delay once more to your Highness that the Government of Great Britain has no intention of making the conquest of Egypt, nor of injuring in any way the religion and liberties of the Egyptians. It has for its sole object to protect your Highness and the Egyptian people against rebels". (Sir Beauchamp Seymour to Khedive Tewfik, Alexandria, July 26, 1882, published in the Official Journal of July 28.)

"It is the desire of H.M.'s Government, after relieving Egypt from military tyranny to leave the people to manage their own affairs. . . . We believe that it is better for the interests of their country, as well as for the interests of Egypt, that Egypt should be governed by liberal institutions rather than by a despotic rule. . . . We do not wish to impose on Egypt institutions of our own choice, but rather to leave the choice of Egypt free. . . . It is our desire that, not only should existing institutions in Egypt be respected, but that no obstacle should be placed in the way of a prudent development of these institutions. We do not desire to interfere beyond the strict necessities of the case in the internal administration of the country, or to prevent the Government of Egypt by Egyptians. . . . It is the honourable duty of this country to be true to the principles of free institutions which are our glory." (Sir Charles Dilke in the House of Commons, July 25, 1882.)

"I can go so far as to answer the honourable gentleman when he asks me whether we contemplate an indefinite occupation of Egypt. Undoubtedly, of all things in the world, that is a thing which we are not going to do. It would be absolutely at variance with all the principles and views of H.M.'s Government, and the pledges they have given to Europe, and with the views, I may say, of Europe itself". (The Rt. Honble. W. E. Gladstone in House of Commons, August 10, 1882.)

"In talking to the various persons who have made inquiries as to my views on the Egyptian question I have stated that we have

not the least intention of preserving the authority which has thus reverted to us. . . . It was our intention so to conduct our relations with the Egyptian people that they should naturally regard us as their best friends and counsellors, but that we did not propose upon that account arbitrarily to impose our views upon them or to hold them in an irritating tutelage". (Lord Dufferin's despatch, December 19, 1882; Egypt, No. 2 (1883), p. 30.)

"You should intimate to the Egyptian Government that it is the desire of H.M.'s Government to withdraw the troops from Egypt as soon as circumstances permit, that such withdrawal will probably be effected from time to time as the security of the country will allow it, and that H.M.'s Government hope that the time will be very short during which the full number of the present force will be maintained". (Lord Granville, December 29, 1882; Egypt, No. 2 (1883), p. 33.)

"The territory of the Khedive has been recognised as lying outside the sphere of European warfare and international jealousies". (Lord Dufferin's despatch, February 6, 1883; Egypt, No. 6 (1883), p. 41.)

"The Valley of the Nile could not be administered from London. An attempt upon our part to engage in such an undertaking would at once render us objects of hatred and suspicion to its inhabitants. Cairo would become a focus of foreign intrigue and conspiracy against us, and we should soon find ourselves forced either to abandon our pretensions under discreditable conditions or embark upon the experiment of a complete acquisition of the country. If, however, we content ourselves with a more moderate rôle and make the Egyptians comprehend that instead of desiring to impose upon them an indirect but arbitrary rule we are sincerely desirous of enabling them to govern themselves, under the uncompromising ægis of our friendship, they will not fail to understand that while on the one hand we are the European nation most vitally interested in their peace and well-being, on the other we are the least inclined to allow the influence which the progress of events has required us to exercise to degenerate into an irritating and exasperating display of authority which would be fatal to those instincts of patriotism and freedom which it has been our boast to foster in every country where we have set our foot". (*Ib.*, p. 43.)

"One further institution, however, will be still necessary to render vital and effective those already described, namely, a free Press". (*Ib.*, p. 50.)

"Had I been commissioned to place affairs in Egypt on the footing of an Indian subject State the outlook would have been different. The masterful hand of a Resident would have quickly bent everything to his will, and in the space of five years we should have greatly added to the material wealth and well-being

of the country by the extension of its cultivated area and the consequent expansion of its revenue; by the partial if not the total abolition of the *corvée* and slavery; the establishment of justice and other beneficent reforms. But the Egyptians would have justly considered these advantages as dearly purchased at the expense of their domestic independence. Moreover, H.M.'s Government have pronounced against such an alternative". (*Ib.*, p. 83.)

"The very fact of our having endowed the country with representative institutions is a proof of our disinterestedness. It is the last thing we should have done had we desired to retain its government in leading-strings; for, however irresistible may be the control of a protecting Power when brought to bear on a feeble autocracy, its imperative character disappears in the presence of a popular assembly". (*Ib.*, p. 83.)

"The other Powers of Europe . . . are well aware of the general intentions entertained by the British Government, intentions which may be subject, of course, to due consideration of the state of circumstances, but conceived and held to be in the nature not only of information, but of a pledge or engagement". (Mr. Gladstone in the House of Commons, August 6, 1883.)

"The uncertainty there may be in some portion of the public mind has reference to those desires which tend towards the permanent occupation of Egypt and its incorporation in this Empire. That is a consummation to which we are resolutely opposed, and which we will have nothing to do with bringing about. We are against this doctrine of annexation; we are against everything that resembles or approaches it; and we are against all language that tends to bring about its expectation. We are against it on the ground of the interests of England; we are against it on the ground of our duty to Egypt; we are against it on the ground of the specific and solemn pledges given to the world in the most solemn manner and under the most critical circumstances, pledges which have earned for us the confidence of Europe at large during the course of difficult and delicate operations, and which, if one pledge can be more solemn and sacred than another, special sacredness in this case binds us to observe. We are also sensible that occupation prolonged beyond a certain point may tend to annexation, and consequently it is our object to take the greatest care that the occupation does not gradually take a permanent character. . . . We cannot name a day, and do not undertake to name a day, for our final withdrawal, but no effort shall be wanting on our part to bring about that withdrawal as early as possible. The conditions which will enable us to withdraw are those described by Lord Granville—restored order in the state of the country and the organisation of the proper means for the maintenance of the Khedive's authority. . . . The Right Honourable gentleman (Sir S. Northcote) has treated us as if we intended to stay in Egypt until we had brought

about institutions which would do credit to Utopia. We have no such views. . . . In popular language we mean to give Egypt a fair start, and if we secure it order, supply a civil and military force adequate to the maintenance of order and with a man on the throne in whose benevolence and justice we have confidence, with institutions for the administration of justice under enlightened supervision and in fairly competent hands—if we have made a reasonable beginning towards legislative institutions into which is incorporated some seed of freedom our duty may be supposed to be complete". (Mr. Gladstone in the House of Commons, August 9, 1883.)

"H.M.'s Government . . . are willing that the withdrawal of the troops shall take place at the beginning of the year 1888, provided that the Powers are then of opinion that such withdrawal can take place without risk to peace and order". (Lord Granville's despatch, June 16, 1884; Egypt, No. 23 (1884), p. 13.)

"From the first we have steadily kept in view the fact that our occupation was temporary and provisional only. . . . We do not propose to occupy Egypt permanently. . . . On that point we are pledged to this country and pledged to Europe; and if a contrary policy is adopted it will not be by us". (Lord Derby in the House of Lords, February 26, 1885.)

"It was not open to us to assume the protectorate of Egypt, because H.M.'s Government have again and again pledged themselves that they would not do so. . . . My noble friend has dwelt upon that pledge, and he does us no more than justice when he expresses his opinion that it is a pledge which has been constantly present to our minds. . . . It was undoubtedly the fact that our presence in Egypt, unrecognised by any convention, . . . gave the subjects of the Sultan cause for a suspicion which we did not deserve". (Lord Salisbury in the House of Lords, June 10, 1887.)

"When my noble friend . . . asks us to convert ourselves from guardians into proprietors . . . and to declare our stay in Egypt permanent . . . I must say I think my noble friend pays an insufficient regard to the sanctity of the obligations which the Government of the Queen have undertaken and by which they are bound to abide. In such a matter we have not to consider what is the most convenient or what is the more profitable course; we have to consider the course to which we are bound by our own obligations and by European law". (Lord Salisbury in the House of Lords, August 12, 1889.)

"I cannot do otherwise than express my general concurrence . . . that the occupation of Egypt is in the nature of a burden and difficulty; and that the permanent occupation of that country would not be agreeable to our traditional policy, and that it would

not be consistent with our good faith towards the Suzerain Power, while it would be contrary to the laws of Europe. . . . I certainly shall not set up the doctrine that we have discovered a duty which enables us to set aside the pledges into which we have so freely entered. . . . The thing we cannot do with perfect honour is either to deny that we are under engagements which preclude the idea of an indefinite occupation, or so to construe that indefinite occupation as to hamper the engagements that we are under by collateral considerations". (Mr. Gladstone in the House of Commons, May 1, 1893.)

"The Government of H.B. Majesty declares that it has no intention of altering the political status of Egypt". (Text of the Anglo-French Agreement of April 8, 1904.)

"There are insuperable objections to the assumption of a British Protectorate over Egypt. It would involve a change in the 'political status' of the country. Now in Art. 1 of the Anglo-French Agreement of the 8th April, 1904, the British Government have explicitly declared that 'they have no intention of altering the political status' of Egypt". (Lord Cromer's Report, March 3, 1907; Egypt, No. 1 (1907), p. 12.)

"It has been said that Great Britain proposes shortly to proclaim the protectorate or the annexation of Egypt to the British Empire. Will Sir Eldon Gorst permit me to ask him whether this rumour is well founded or not?"

"The rumour has no foundation and you may contradict it categorically. Great Britain has engaged herself by official agreements with Turkey and the European Powers to respect the suzerainty of the Sultan in Egypt. She will keep her engagements, which, moreover, she reiterated in 1904 at the time of the conclusion of the Anglo-French Agreement. England stipulated in that Agreement that she has no intention to change the political situation in Egypt. Neither the people nor the Government wish to rid themselves of these engagements". (Sir Eldon Gorst's interview with Dr. Nimr, Editor of the "Mokattam," October 24, 1908. This interview was acknowledged as official by Sir E. Grey in the House of Commons.)

"There exists among the better-educated sections of society a limited but gradually increasing class which interests itself in matters pertaining to the government and administration of the country. This class aspires quite rightly to help in bringing about the day when Egypt will be able to govern herself without outside assistance. This is also the end to which British policy is directed, and there need, therefore, be no antagonism of principle between the Egyptian and English reforming elements". (Sir Eldon Gorst's Report, March 27, 1909; Egypt, No. 1 (1909), p. 1.)

"Since the commencement of the occupation the policy approved by the British Government has never varied, and its fundamental idea has been to prepare the Egyptians for self-government, while helping them in the meantime to enjoy the benefit of good government". (Sir Eldon Gorst, *ib.*, p. 48.)

"British policy in Egypt in no way differs from that followed by Great Britain all over the world towards countries under her influence, namely, to place before all else the welfare of their populations". (Sir Eldon Gorst's Report, March 26, 1910; Egypt No. 1 1910, p. 51.)

Surely never were such pledges given, to be afterwards broken, in the whole history of England's imperial dealings.

PART I

THE SPOLIATION OF EGYPT

"Money, Sir, Money!"

Mr. Frederic Harrison, in "Pall Mall Gazette," June 7, 1882

EGYPT'S RUIN

A FINANCIAL AND ADMINISTRATIVE RECORD

CHAPTER I

THE BEGINNING OF AGGRESSION

THE financial history of Egypt, as far as England is directly concerned, may be said to begin with the latter years of the Khedive Ismail's reign and the first great economic troubles of his subjects.

In the days of his immediate predecessor, Saïd Pasha, Egypt was beyond question the most prosperous of any Eastern land. The wars which took the peasant population from their homes in the time of Mahomed Ali had long ceased; the land tax was extremely light, amounting barely to one-third of its present assessment, and the cost of living was so incredibly cheap that the ordinary daily wage of one piaster (2½d.) amply sufficed to meet the wants of a fellah family. At the same time the construction of public works, such as railways and the famous Delta Barrage, which had been begun under Mehemet Ali and Abbas I, was continued with considerable zeal; new irrigation canals were dug; telegraphs and steam pumps were for the first time introduced; and a concession was granted to M. de Lesseps to construct the Suez Canal. When the American Civil War broke out, the Egyptian cotton growers seized the golden opportunity thus offered to them, and doubled their exports within two years at prices which were nearly treble.

With the accession of Ismail in 1863 a change was soon to be noted. Having succeeded to the throne of Mehemet Ali at a time when the acme of European civilisation was represented by France under Napoleon III—the France of Offenbach and Haussmann, of "la haute finance" and corruption and extravagance in all departments of public administration—Ismail, himself by nature an avaricious prodigal and fond of display, early conceived the ambition of emulating that worthy model, and of becoming a sort of Napoleon III of the East. With a zeal and determination worthy of a better cause he set to work, and within a short time made his court, his palaces, his fêtes, his mistresses, his cuisine and cellars famous all over the world. Everyone was admiring his genius and his liberality; and when he opened in 1869 that great work, the Suez Canal, most of the crowned heads of Europe, including the proud Hapsburg Monarch, Francis Joseph, the Crown Prince of Prussia, and the Empress Eugénie herself, flocked to the festivities, accompanied by their courtiers and statesmen, savants and artists, and the world's press was full of glowing descriptions of the entertainments (which included the production for the first time of "Aïda," specially written for the occasion by Verdi), which the Egyptian host was offering to his guests.

These extravagances naturally cost money, and as at the same time the price of cotton fell with the conclusion of the American War, Ismail was driven to borrowing money—principally in London, where the firm Frühling and Goschen, who had already made in 1862 an advance to his predecessor of over £3,000,000, at the pretty rate of eight per cent, was ever ready to supply his needs. These loans were at first in their nature personal, for Ismail's authority being less than sovereign and subject to restrictions imposed on him by the terms of his appointment as Viceroy, he had no legal power to pledge the revenue of the State in any strictly binding forms.

In consequence, the terms on which the money was advanced to him were proportionately onerous, amounting, indeed, to a high rate of usury. Thus, by the year 1868, that is, within five years after his accession, he succeeded in indebting himself in various quarters to the amount of £25,500,000, at rates of interest nominally varying between seven and twelve, but in reality amounting to anything between twelve and twenty-six per cent.[1] The Ottoman Government grew rapidly alarmed at what might be the prospects of such large responsibilities, and forbade the raising of further loans. Nevertheless in 1870 Ismail contracted a fresh loan of over £7,000,000 on the security of the State lands at the exorbitant rate of over 13 per cent (real), whereupon the Porte addressed itself directly to the British Government, as the Power representing the main body of creditors, "protesting in advance against any financial arrangements, not previously sanctioned by His Imperial Majesty the Sultan, which would affect directly or indirectly the revenues of Egypt."[2]

Here we enter upon the first stage of England's responsibility towards Egypt. It had been the persistent policy of England throughout the nineteenth century to maintain a close alliance with the Sultan as against the various pretensions of independence displayed from time to time by Egypt under the encouragement of France.[3] The latter, though forced to evacuate the country in 1801, still continued to exercise a preponderating moral influence in Egypt, supplying her Viceroys with all sorts of advisers and serving as a training ground for innumerable young Egyptians who went to French schools to acquire the elements of Western civilisation. There could be no doubt that Egypt, so far at least as her wealthier and official classes were concerned, was becoming every day

[1] Egypt, No. 7 (1876), Mr. Cave's Report, p. 7.
[2] Parl. Paper (100), 1870, p. 1.
[3] See Parl. Paper (206), 1839, pp. 4 and 6 on the views of Lord Palmerston, and the collection of papers on the firmans, granted to the Khedives of Egypt, in Egypt, No. 4 (1879) *passim*.

more Gallicised, and the directors of French policy, relying on the method of "pacific penetration," were probably dreaming dreams of turning Egypt one day into a French Protectorate. That is why they encouraged the Viceroys to seek emancipation from the tutelage of the Porte, and why England, on the other hand, opposed all such attempts. England, which was at that time passing through her Liberal honeymoon, cared little about extending the confines of her colonial Empire,[1] and she was content to safeguard Egypt against all encroachments on the part of the French by merely keeping her within the magic circle which preserved the integrity of the Ottoman Empire.[2] In these circumstances it might have been expected that the British Government, on being appealed to by the Sultan to assist him in restraining the impetuous Ismail, would have been only too happy to remind the latter of his duty to obey the Sultan, while at the same time issuing a warning to the English speculators. Nevertheless, so powerful were already the money-lending interests at the Foreign Office that the Porte's appeal was left without response, and Ismail Pasha was enabled by means of heavy bribes, first to the Grand Vizier, and then to the Sultan himself, not only to get the necessary permission for a new loan of £32,000,000, but also to obtain, in 1873, a special Firman, giving Ismail full power, without any further restrictions, to deal with all the resources of the Khediviate, whether in the matter of loans, contracts, or concessions. On his part Sir Henry Elliot, the British Ambassador at Con-

[1] "We want to trade with Egypt," wrote Lord Palmerston at the time, "and to travel through Egypt, but we do not want the burden of governing Egypt. . . . Let us try to improve those countries by the general influence of our commerce, but let us abstain from a crusade of conquest." A. E. Ashley, "Life of Lord Palmerston," Vol. II, p. 125.

[2] "The ancient policy of England was to uphold to the utmost of our power the connexion between Turkey and Egypt, and thereby to exclude France from any dominating influence at Cairo." Mr. Edward Dicey, in a letter to "The Times," August 25, 1879.

stantinople, hastened to recognise[1] that "the entire freedom of internal administration which has been secured to him (the Viceroy) is fictitious, unless he is at liberty to recur to the foreign markets for the large sums which are required for the vast remunerative works which are necessary for the full development of the resources of the wonderful country over which he rules."

By means of this Firman what had hitherto been the *personal* liability of the Khedive was at one stroke turned into a *State* liability of Egypt, and the fact that this was accomplished with the connivance, if not under the encouragement, of the British Government deserves to be remembered by those who are amazed at the lack of gratitude felt by the Egyptians towards England for her management of their finances.

The moment, however, soon arrived when England's responsibility was to become directer and her intervention in Egyptian affairs, whether political or financial, more active—indeed, aggressive. There can be no doubt that the disasters which France had sustained at the hands of Germany in 1870 with the consequent weakening of her influence everywhere in the world began shortly afterwards to inspire British statesmen with novel schemes in the East in advance of the former policy of mere opposition to French influence. This revealed itself in the historical purchase of the Suez Canal shares. Matters in Egypt, in spite or, rather, because of the numerous loans, were at that time going from bad to worse. Already in 1872 Ismail, being pressed by his creditors, had recourse to a disastrous financial measure, known by the name of Moukabala, whereby a reduction of the land tax in perpetuity by one-half was promised to all landlords who would within a specified period contribute a six-fold land-tax. Similarly, in 1874 a perpetual annuity of nine per cent of their capital was offered to those who would subscribe a non-redeemable internal loan of £5,000,000.

[1] Egypt, No. 4 (1879), p. 27.

By the summer of 1875, nevertheless, the Khedive was again in urgent need of money to pay his hungry creditors, and he then decided to sell his (or Egypt's) interest in the Suez Canal Company, which amounted to 176,602 out of a total of 400,000 shares of the Company. This became known to Mr. Disraeli, then at the head of the British Government, and immediately, on November 25, 1875, the shares were bought for £4,000,000 with the assistance of the London House of Rothschilds.

This was a wholly unprecedented act for the British Government to commit. For one thing, it was a highly speculative venture to engage in. Though it has ultimately turned out very remunerative (the shares having now a value on the Stock Exchange of something like £35,000,000), it was clearly not the business of the British Government to embark public money in a concern which might have resulted in a loss. As a matter of fact, there were not a few persons in England who severely blamed Mr. Disraeli precisely on this head. On the other hand, it was a glaring departure from all precedent for the British Government to become partners in what was, after all, a private commercial undertaking, and to do it without the consent of Parliament and with the assistance of a private banking firm. The explanation for this unparalleled act of Mr. Disraeli's Government must be sought in the political designs which it was already entertaining on Egypt now that France had in a sense ceased to count. "The public," wrote the chief City organ, "The Times," in its issue of November 26, 1875, containing the announcement of the purchase of the shares, "the public, both of this and other countries, will look to this important act of the British Government rather in its political than its commercial aspects. It will be regarded as a demonstration, and something more; a declaration of intentions and a commencement of action upon them. It is impossible," the journal continued, "to separate in our thoughts the purchase of the Suez

Canal shares from the question of England's future relations with Egypt, or the destinies of Egypt from the shadows that darken the Turkish Empire. . . . Should insurrection, or aggression from without or corruption within bring a political as well as financial collapse of the Turkish Empire, it might become necessary to take measures for the security of that part of the Sultan's dominions, with which we are most nearly connected." This was a piece of very plain speaking, and contrasts most forcibly with the latter-day apologetics which try to represent British intervention in Egypt as a "decree of destiny" resisted to the last and only yielded to under the overwhelming pressure of necessity and of events impossible to have calculated beforehand.[1]

It now remained for the British Government to wait for the financial, if not political, collapse of the Turkish Empire, as foreshadowed by its excellent mouthpiece in the press "The Times," in order to lay its hands on Egypt. That opportunity seemed imminent. Just six or seven weeks before the purchase of the Suez Canal shares, on October 5, 1875, the following telegram from its Constantinople correspondent had appeared at the head of the news-column of "The Times": "The Porte has decided that during the five years from 1st January next the interest and amortissement of the Public Debt shall be paid half in cash and half in bonds bearing five per cent interest." This was tantamount to a declaration of bankruptcy, and produced a terrible panic on the London Stock Exchange, which affected not only the Turkish, but even the Egyptian securities connected with

[1] "British diplomacy," says Lord Cromer, in his recent book, "did its best to throw off the Egyptian burden. But circumstances were too strong to be arrested by diplomatic action. Egypt was to fall to Kinglake's Englishman. Moreover, it was to fall to him, although some were opposed to his going there, others were indifferent as to whether he went there or not, none much wished him to go, and, not only did he not want to go there himself, but he struggled strenuously and honestly, not to be obliged to go."—"Modern Egypt," Vol. I, p. 130.

Ismail's loans. In the same issue of "The Times," in its Money Article, we read the following statement: "There has been a panic in the Foreign Stock Market to-day. It was not until midday that the notice issued by the Imperial Ottoman Bank relative to the Turkish Debt was posted in the Stock Exchange, and after that, first Turkish and then Egyptian Stocks fell so sharply as to create a panic. There was no recovery at the close, and after business hours Egyptians continued to decline. There is no news about Egypt," explains the writer, "but the two States are so associated in the public mind that they usually go together." Indeed, in spite of all assurances from different quarters to the effect that Egypt was but nominally a part of the Ottoman Empire, and that, consequently, her finances were in no wise affected by the state of the Turkish Treasury, neither on the next nor on the following days did the Egyptian Stock Market rally, and Egyptian bonds continued on their downward course. The world knew perfectly well that the finances of Egypt were in as dilapidated a state as those of Turkey, and now that the latter had declared bankruptcy it had good reasons to fear that Egypt might follow suit. For what else, in fact, could Ismail be expected to do now that his debts, contracted at usurious interests and at fabulous sacrifices, in the shape of commissions, premiums, etc., already amounted to £68,000,000? Small wonder that a fortnight after the announcement of bankruptcy by Turkey the Egyptian 1868 Loan should have been quoted at 57 and that of 1873 at 57¼!

It was, no doubt, in expectation of the collapse of both Turkey and Egypt in consequence of the former's declaration of bankruptcy that the Suez Canal shares were bought. As is well known, however, these expectations with regard, at least, to Turkey, were not fulfilled. As none of the Powers, for fear of one another, dared take determined action against the Porte, the latter, in her struggle with the creditors, got the best of the

game, and the Turkish bondholders were obliged in all humility to eat their diminished loaf. But if the decree of destiny was not fulfilled in the case of Turkey, it was decided to bring about its fulfilment at least in the case of Egypt, and so immediately on the purchase of the Suez Canal shares we witness the first overt act of England's intervention in the internal affairs of Egypt.

As is usual with Imperialist enterprises, it was finance itself which was made the instrument of aggression. Three weeks after the catastrophic drop of the Egyptian stock on the Stock Exchange, General Stanton, the British Consul-General at Cairo, informed Lord Derby of the desire, expressed to him by the Khedive a few days previously, of "securing the services of some competent Government official, thoroughly acquainted with the system followed in Her Majesty's Treasury, to assist his Minister of Finance in remedying the confusion which His Highness admitted existed in that department of administration."[1] The request was repeated a week later in writing, and modified to one for a loan of two gentlemen "to superintend the receipts and expenditure under the direction and orders of the Minister of Finance," one of whom at least be "conversant with those studies of political economy which in modern times have demonstrated the true principles which govern the development of the resources of a country."[2] There was nothing unusual in this request, since the British Government had already lent the Khedive, for his newly established Ministry of Commerce, two gentlemen, Messrs. Pennel and Acton, with whom the Khedive was well satisfied.[3] The only interesting feature of the present application was that the assistance was now requested for the financial department—a thing not unnatural in the circumstances of the moment.

[1] Egypt, No. 4 (1876), p. 3.
[2] *Ib.*
[3] Mr. MacCoan, M.P., in a letter to "The Times," April 17, 1876.

Nevertheless, more than three weeks were allowed to elapse before the British Government made up its mind to answer, and then the reply was somewhat startling. Instead of choosing straight away the two clerks whom the Khedive had requested, Lord Derby, after repeated consultations with the Treasury, informed General Stanton on November 29 that the Government proposed to send out to Egypt "a special mission to communicate with the Khedive on the subject of His Highness's request for advice on financial matters."[1] This was certainly a forward move. The Khedive had not asked for any advice, but only for two Government officials to act under the direction and orders of his Minister of Finance; Lord Derby, however, arbitrarily substituted for this a request for "advice," and proposed to send out, instead of two clerks, a special financial mission. The Khedive, however, agreed—whether with an ulterior object or from a misunderstanding, is not known. A week later the "mission" was formed, consisting of five highly placed Government Officials, with Mr. (subsequently Sir Stephen) Cave, the then Paymaster-General, at their head. In a letter addressed to Mr. Cave and dated December 6,[2] Lord Derby explained to him the history of the Khedive's request and the motives which had guided the Government in sending out a mission, saying that "as successful financial administration depended quite as much on the wise limitation of the engagements and expenditure of a country as upon the development of its resources or economical administration, it was essential that the powers and position proposed to be assigned to the gentlemen [asked for] should be clearly defined by the Government of the Khedive." As it was not, however, possible to arrive at an understanding by correspondence, it had been proposed to send "a gentleman in the confidence of Her Majesty's Government, of proved financial and administrative capacity, to confer with the Khedive and

[1] Egypt, No. 4 (1876), p. 4. [2] *Ib.*, p. 5.

his Government as to the financial position and administration of Egypt, in order that on his report, Her Majesty's Government might be placed in a better position to give the assistance which is required from them." "Her Majesty's Government," Lord Derby added, "do not doubt that the Khedive will treat you with perfect frankness and afford you every facility for ascertaining correctly the position of the financial affairs of Egypt, so as to enable you to furnish them with a full report."

It is impossible to read this officially worded letter without perceiving that in sending out one of their colleagues to Egypt the British Cabinet had something more in view than merely to find out what particular clerks Ismail Pasha needed. While the Khedive spoke of the necessity of developing the resources of his country in order to obtain additional revenue, Lord Derby hinted at the necessity of overhauling the expenditure and administration of Egypt; and as against the Khedive's intention of placing the two required clerks under the orders of the Minister of Finance, Lord Derby spoke of "ascertaining correctly" the financial position of the Egyptian Treasury and tendering to the Khedive "advice." As it was aptly termed in the House of Commons,[1] Lord Derby committed here an act of intrusion and inquisition. "There is not the slightest evidence," wrote "The Times" at a subsequent date,[2] "that he (the Khedive) desired a great personage to overhaul his accounts, to rebuke his servants, to lecture himself, and to tell the world in general whether and when the Khedive of Egypt would become a bankrupt."

The reason for this uncommon act of the Government was indicated by the then Chancellor of the Exchequer, who, on being questioned about it, replied that while the Government had been deliberating as to whom they might send to the Khedive in accordance with his request,

[1] By Mr. Lowe, on August 5, 1876. Hansard, Vol. 231, 1876, p. 639 and following.
[2] "The Times," March 24, 1876.

the Suez Canal shares had been offered and bought.[1] This was perfectly true. Lord Derby, as we have seen, telegraphed to General Stanton, informing him of the intention of the Government to send out a special mission to Egypt on November 27, and the shares had been bought just two days previously. The connexion between the two events was thus made apparent. The purchase of the shares was a political act intended to create for England a preponderating and undisputed title to the possession of Egypt, should the Ottoman Empire be broken up, as then seemed likely. On its side, the despatch of a "mission" to Egypt was nothing but an attempt to establish that title at the earliest moment, by inducing the Khedive, in exchange for the service which had just been rendered to him, to accept the guidance of England in the shape of a financial control of some sort.

It is true that in the official letter just quoted Lord Derby relies upon Mr. Cave "to be careful not to pledge them (the Government) to any course of proceeding, by advice or otherwise, which might be taken to imply a desire to exercise undue interference with the internal affairs of Egypt;"[2] but this was natural. The real motives of the act of the Government could not have been put down in writing in an official document which might one day see the light. Nevertheless, even in that letter Lord Derby significantly hints at the great possibilities of the mission.[3] "Although," he says, "the primary object of your mission will be to confer with the Khedive upon the subject of administrative assistance for which His Highness has applied, you cannot fail to obtain incidentally much information of the greatest value both to Egypt and to this country." And he concludes, "Her Majesty's Government do not consider it necessary to give you detailed instructions, as they prefer to leave the conduct of the mission, as far as possible, to your discretion."

[1] Hansard's "Parliamentary Debates," Vol. 231, 1876, pp. 631–2.
[2] Egypt, No. 4 (1876), p. 5. [3] *Ib.*

Public opinion at that time was firmly of the opinion that Mr. Cave went out to negotiate for an English Protectorate, or, at least, financial control over Egypt in return for a substantial measure of financial assistance; and when, on January 4, 1876, the rumour spread that Mr. Cave had quarrelled with the Khedive and was returning home without having accomplished his task, the Stock Exchange was panic-stricken.[1] A few weeks later, reviewing the financial situation of Egypt, "The Times," which knew something of the secrets of the Government, wrote retrospectively:[2] "The conclusion is that only a radical reform in Egyptian government and finance can give security to the State. Undoubtedly, it would be possible for Egypt to make better terms with its creditors if it had better credit; but how is that credit to be obtained? All the speculations on the subject seem to be based on the notion that by some means the Khedive will be brought to submit himself to English guidance with the most complete humility; and that England will undertake the management of Egyptian finance, and that a portion of English credit will be transferred to Egypt so as to enable its Government to transform its liabilities and greatly to diminish its annual payments. But this supposes a relation between the two Governments for which there is not the slightest warrant, and a disposition on the part of the Egyptian ruler for which we seek any evidence in vain." The readiness on the part of England to undertake the management of Egyptian finance in exchange for the Khedive's submission to "English guidance" is clearly implied in these words, and though the same journal a couple of months later itself derided the proposed combination as "a most pernicious delusion,"[3] it was, at the time when Mr. Cave was still in Egypt, regarded as very desirable.

[1] "The Times," January 5, 1876, see the Money Article.
[2] *Ib.*, January 29, 1876.
[3] *Ib.*, March 24, 1876.

Unfortunately for Mr. Disraeli and the bondholders, Mr. Cave's mission turned out a complete failure. The Khedive, indeed, permitted him, though with considerable ill-humour,[1] to investigate the financial position of the Egyptian Treasury, and accepted the offer to receive in his service, instead of two subordinate clerks, a "Financial Adviser" in the person of Mr. (afterwards Sir Rivers) Wilson, Controller-General of the English National Debt Office. This was, on his part, an acquiescence in another act of intrusion on the part of the British Government. But further than that the Khedive did not go. Probably Mr. Cave, as an honest man, was not exactly a fit diplomatist to carry out such a delicate task as had been entrusted to him by Mr. Disraeli. The main reason of his failure, however, was the fact that no sooner had the French Government heard of his "mission" than it decided to send to Egypt a Commissioner of its own in order that he might outbid Mr. Cave in any offer that the latter might make on behalf of the British Government and British bondholders.[2] The French Commissioner was a certain M. Outrey, a former Consul-General at Cairo, and he did his work so effectively that the Khedive, on seeing himself courted by two rival suitors, gave Mr. Cave to understand that he could do without "English guidance."

Thus the first attempt of the English to lay their hands on Egypt ended abortively. It is a pity that our truthful historians[3] have never taken the trouble to tell us the

[1] "It is admitted that the Khedive did not quite know what Mr. Cave had come for, and that when he discovered the inquisitorial assumptions of that personage, he was highly indignant."—"The Times," March 24, 1876.

[2] See telegram from Paris in "The Times," January 31, 1876. M. de Blowitz, who was Paris Correspondent of "The Times," was thoughout the crisis in closest touch with the French bondholders, being also a great friend both of Mr. Wilson and some of the chief personages in the Khedive's entourage, including Nubar Pasha.

[3] See the disquisition of Lord Cromer on the great merit of

above details. They begin with the commands of Destiny, they end by their fulfilment, but the intermediate stages are carelessly—or rather, let us say, carefully—omitted.

"accuracy of statement," and the dangers of "half-truths." "I think," he declares, "I may fairly lay claim to be in a position of exceptional advantage in so far as the attainment of accuracy is concerned."—"Modern Egypt," Introductory chapter, pp. 2, 3.

CHAPTER II

EGYPT IN THE GRIP OF THE BONDHOLDERS

MR. CAVE departed from Cairo at the beginning of February, leaving the Khedive in the midst of his negotiations with M. Outrey and a French group of capitalists headed by M. Pastré, of the Anglo-Egyptian Banking Company. The idea was to establish a "National" Bank of Egypt under an international management of commissioners to be appointed by France, England, and Italy, which was to consolidate the Egyptian floating debt at 9 per cent interest on the security of the Egyptian railways, and generally to encash the receipts and pay the coupons, transact banking operations with the Treasury, and so forth. The French Government was very anxious that England should co-operate in this undertaking, and the Duc Decazes, the French Foreign Minister, formally proposed to Lord Derby that the two Governments should act in Egyptian matters in concert, instead of in competition.[1] But Lord Derby would not listen to the proposal. For one thing, the Khedive did not wish to see his finances controlled by foreign agents, and for another, the time was not opportune for fresh proposals, since "Mr. Rivers Wilson, the gentleman recommended to the Khedive for the reorganisation of his financial department was on the eve of his departure for Egypt."[2] Mr. Wilson was at the time already in Paris, where Mr. Cave was initiating him into the confidential report which he was drawing up on the Egyptian finances,[3] and he at once saw that

[1] Egypt, No. 8 (1876), p. 1. [2] *Ib.*, p. 2.
[3] *Ib.*, No. 7 (1876), Mr. Cave's Report, p. 1.

the proposed French combination would not be to the advantage of the British bondholders. The latter were holders chiefly of the consolidated debt, and it was obviously not in their interest that this debt should be swelled by the addition of the floating liabilities of the Khedive, whose creditors in this instance were chiefly the French banking houses. In March the Paris Correspondent of "The Times" warned the British Government not to sanction the Outrey-Pastré combination, as it would depreciate the value of the securities held in England,[1] and three days later, March 6, Lord Derby, in reply to the reiterated request of the Khedive to appoint a Commissioner to the Bank, declared that the British Government would have nothing to do with the scheme. "If," he significantly added, however,[2] "a workable plan were proposed for a commission to receive the revenues and apply them to the payment of the Egyptian Debt, Her Majesty's Government would give it their consideration." In other words—as indeed, Mr. Disraeli frankly stated in the House of Commons[3]—the British Government was not prepared to entertain any project of a semi-private banking arrangement, and would only consider a scheme for a proper Financial Control Commission.[4] The Khedive, however, would not agree to that, and preferred to let the whole matter drop, to the great joy of the British financiers. "We are very glad," wrote the "Economist,"[5] "that the scheme of the French loan and the French Commission has collapsed and come to nothing. The most inconvenient result of any would be to have the French as rulers

[1] "The Times," March 3, 1876.
[2] Egypt, No. 8 (1876), p. 10.
[3] Hansard, "Parl. Debates," Vol. 22, 1876, p. 1418.
[4] In his version of the history of the negotiations on the subject of the National Bank, Lord Cromer says ("Modern Egypt," Vol. I, p. 12): "France and Italy each agreed to select a Commissioner, but Lord Derby was unwilling to interfere in the internal affairs of Egypt, and declined to nominate a British Commissioner." Verily, "accuracy of statement is a great merit."
[5] Quoted by "The Times," April 17, 1876.

of Egypt. To prevent this Lord Palmerston resisted the construction of the Suez Canal. To prevent this we spent £4,000,000, because otherwise the Khedive's shares might have become French."

The matter, however, did not end here. The French financiers having failed to carry out their project, the French Government, not to leave the field entirely to the English, immediately despatched a "Financial Adviser" of their own in the person of M. Villet, a former Inspector-General of Finances, to "assist" the Khedive in the reorganisation of his financial department.[1] This was manifestly a counter-move to the despatch of Mr. Wilson, and Lord Derby, in his alarm, wired to General Stanton instructing him to advise the Khedive "to abstain from any hasty action, and at least, to await the arrival in Egypt of Mr. Rivers Wilson."[2] The Khedive was perfectly willing to take the advice. "He would gladly consider," he declared to General Stanton,[3] "proposals which Mr. Wilson might have to make, and adopt them if more advantageous to the country than those of the French group." But Mr. Wilson, when he arrived, continued to press for a financial commission of control in return for the consolidation and conversion of the entire debt, while M. Villet brought with him a project drawn up by the French bondholders in conjunction with the French Government, in which the objectionable feature of the former scheme, that is, the establishment of a Bank, was eliminated, and instead a Commission of the Public Debt, pure and simple, was proposed, consisting of members appointed by different Governments and having for its duty to control the receipt of the revenues to be assigned to the payment of the coupons. At the same time the entire debt, both floating and funded, was to be consolidated on certain terms and secured on certain sources of Egyptian State revenue. Lord Derby, on hearing of the scheme,

[1] Egypt, No. 8 (1876), p. 13. [2] *Ib.*, p. 14.
[3] *Ib.*

immediately applied for details.[1] He found them unacceptable. The Commission would have no real control over the finances, but merely act as a receiver on behalf of the creditors, while the terms on which the floating debt was to be funded, were disadvantageous to the holders of the consolidated stock. As the Khedive, however, seemed inclined to press forward this scheme, the British Government decided to terrorise him into submission.

On March 20 Lord Derby suddenly informed Ismail of his intention to publish Mr. Cave's report.[2] This was an act of perfidy without parallel. Mr. Cave had been permitted to pry into the secrets of Egyptian administration and finance on the understanding that his report would remain strictly confidential as between the Khedive and the British Government, and would only serve as a basis for rendering the Khedive the necessary financial assistance. Here, however, the British Government, on the plea that the public demanded it, was about to publish the report, which could only have one result, namely, the total ruin of the Khedive's credit. Naturally he protested in the strongest possible terms. The information, he declared,[3] which had been supplied to Mr. Cave, was "strictly confidential and intended only for the information of Her Majesty's Government," and if the publication of the report "was not preceded by an arrangement with English financiers, or by an appointment of an English Commissioner (to the Caisse), any discussion of Egyptian finance must be prejudicial to his interest." The British Government listened to the protest and desisted from its intention, but it did something still worse. On being questioned in the House, when Mr. Cave's report was about to appear, Mr. Disraeli, instead of replying that the report was not intended for publication, declared that he was perfectly willing to publish it, but that the Khedive

[1] Egypt, No. 8 (1876), p. 25.
[2] *Ib.*, p. 15. [3] *Ib.*

had the strongest objection to such a procedure![1] This was a broad hint to the effect that Mr. Cave's report was not a favourable one, and the effect was instantaneous. Egyptian stock suffered a heavy decline, and the panic became intense. Ten days later the Khedive, being thus driven into a corner, gave permission to publish the hapless report. He had not even seen it, he declared,[2] but relying upon Mr. Cave having reported correctly, he was anxious that the report should be published, as that would dissipate the unjust doubts of the public. But it was too late. Though Mr. Cave's report was certainly not so bad as Mr. Disraeli had hinted, the public refused to take a favourable view of the financial situation in Egypt. "Ils ont creusé ma fosse!" was poor Ismail's comment on the petty action of the British Government, and Mr. Cave himself could not help acknowledging that "his mission, so far from assisting the Khedive to borrow, closed the money market against him."[3]

There was now nothing left for Ismail Pasha to do but to admit his insolvency. Mr. Cave's report was published on April 3, and four days later the Khedive declared his inability to meet the current bills, and deferred payment for three months. "We have managed," wrote "The Times" subsequently,[4] "to depress the Egyptian bonds beyond the limits they would have reached if we had altogether abstained from any interference in Egyptian finances. . . . If the Khedive were advised to address a letter of remonstrance to our Foreign Secretary, and say that, thanks to the uncertainty of purpose of the foreign policy of England, his credit had been grievously injured on every Exchange in Europe, so that he was unable to effect any settlement of his floating debt which might

[1] Hansard "Parl. Debates," Vol. 231, 1876, p. 639.
[2] Egypt, No. 8 (1876), p. 28.
[3] Hansard, "Parl. Debates," Vol. 231, 1876, pp. 627 and 619.
[4] "The Times," April 26, 1876.

otherwise have been possible, we should be obliged to confess that the reproach was well founded."[1]

The situation, however, was far from being desperate. In his report Mr. Cave, after a detailed analysis of the state of finances, remarked:[2] "It would appear from these calculations that the resources of Egypt are sufficient, if properly managed, to meet her liabilities, but as all her available assets are pledged for the charges of existing loans, some fresh combination is necessary in order to fund at a moderate rate the present onerous floating debt. . . . Egypt is well able to bear the whole of her present indebtedness at a reasonable rate of interest; but she cannot go on renewing floating debts at 25 per cent and raising loans at 12 or 13 per cent interest to meet these additions to her debt." Another financier, Sir George Elliot, who had two years previously, at the invitation of Ismail himself, made a close study of the Egyptian finances, and was, in fact, a rival of M. Pastré in the matter of the National Bank, was of a similar opinion as Mr. Cave. "The inquiry," he himself told the House of Commons,[3] "had revealed the actual state of Egypt, which was not a forlorn one. It was sound so far as the income was calculated to deal with a fair payment of the debts which were due from it. What he meant by that was, giving a fair security, but with a reduced rate of interest. . . . By following out the scheme which he had proposed to the Khedive, he had no doubt whatever that Egypt was equal to discharge all the interest for the sinking fund, which

[1] Compare Lord Cromer's version: "For some time prior to the general breakdown, it had been apparent that Ismail Pasha's reckless administration of the finances of the country must, sooner or later, bring about a financial collapse. . . . On April 8, 1876, the crash came. The Khedive suspended payment of his Treasury bills." "Modern Egypt," Vol. I, p. 12. Not a word about the part played by the British Government! "The first stage on the road to historical inaccuracy," he says in the Introduction, "is that some half-truth is stated."
[2] Egypt, No. 7 (1876), p. 12.
[3] Hansard, "Parl. Debates," Vol. 231, 1876, pp. 652 and 653.

would release the debt in 65 years, and there would be a margin sufficient for all the necessary requirements of the proper administration of the country. . . . He had a thorough conviction that Egypt was sound in itself. Egypt had ample resources, which had increased and developed in the most extraordinary way and had every appearance of doing so in the future."

These were handsome testimonies as to the true state of Egyptian finance. Their main purport was that, if but the floating debt could be funded and the whole unified debt charged with a moderate rate of interest, Egypt would quickly recuperate, and all parties would be satisfied.

This, indeed, Ismail Pasha now decided to do. It was not to be expected that after the treacherous act committed by the British Government he would be inclined to accept any of their offers. He accepted the French scheme, and by two decrees, issued May 2 and 7 respectively, he created the Caisse of the Public Debt, and converted the entire debt, both funded and floating, into one Unified Debt, bearing 7 per cent interest on the nominal capital, and redeemable within 65 years. The bonds of most of the loans were, for the purposes of the present conversion, accepted at par, but those of the floating debt, which often bore a rate of 20 and 25, were given, as compensation, a bonus of 25 per cent, that is, were accepted at 80. By way of security, certain sources of State revenue—the land tax of four of the richest provinces, the octrois duties of Cairo and Alexandria, the customs and tobacco duties, and so forth—yielding nearly £8,000,000 a year—were pledged to the payment of interest and sinking fund, in addition to the Khedive's own estates, known as the Daira Sanieh, which had a debt of £8,800,000, but yielded a revenue of £684,000.

This was a fair transaction—fair, that is, to the creditors, not, however, to the Egyptian people, which was thus saddled with 7 per cent interest—far too onerous for its

shoulders.[1] At one moment it looked as if the British Government itself was prepared to negotiate on the basis of the scheme, provided that the Rothschilds, who had assisted Mr. Disraeli in the purchase of the Suez Canal shares, could participate in the operations for conversion. Sir Nathaniel Rothschild even went to Paris in order to ascertain the possibilities of such participation.[2] There, however, he saw what had been anticipated before. The scheme was decidedly too favourable to the French holders of the floating debt, inasmuch as it gave them a bonus of 25 per cent. To that extent it was naturally unfavourable to the British holders of the funded stock, which would now be increased to £91,000,000. Besides, the Commissioners of the Caisse were not to be given any exceptional powers, but would, on the contrary, be subject to dismissal by the Khedive at his pleasure. The Khedive, as it was put with a characteristic petulancy by "The Times,"[3] "would remain as much master of the destinies of Egypt as he has ever been." It was evident that nothing short of a complete submission of Ismail to "English guidance" would satisfy the English. "One of two things should be done," wrote the same journal, the mouthpiece of the City,[4] "either a friendly Government should openly lend its credit to the Khedive upon the guarantee of a protective authority conceded in return, or the Khedive himself must face the necessity of putting forward a scheme of his own." As the Khedive most unkindly refused to accept the "protective authority" of the "friendly Government" of England, and his own scheme did not please either the Rothschilds or Mr. Disraeli, Lord Derby wrote on May 26 to General Stanton that the scheme "appeared to them open to grave objec-

[1] "About twice as much as Egypt, in its present condition, can easily bear," was the opinion of the Money Article in "The Times," April 28, 1876.
[2] "The Times," April 8, 1876, Paris telegram.
[3] *Ib.*, May 5, 1876.
[4] *Ib.*, April 7, 1876.

tions on several points," and that, in consequence, "it would not be in their power to accept the responsibility in which the nomination of a Commissioner to the Caisse would involve them."[1]

Things looked very ugly. The May decrees were there, three of the four Governments which had been invited to nominate Commissioners of the Public Debt, did so, and it seemed probable that the Khedive, supported by France, would ultimately make up his mind to ignore the claims of the British entirely and leave them the alternative of either accepting his scheme or of doing what they pleased. Feeling on the London Stock Exchange began to run very high. Meeting after meeting was held by the Egyptian bondholders protesting both against the "high-handed" procedure of the Khedive and against the ineffective policy of the Government, and shoals of letters appeared in the Press calling upon the latter to find a way out of the difficulty. As if to intensify these feelings, Mr. Rivers Wilson, the would-be "financial adviser," returned to Europe, having found it "impossible," as the Alexandria correspondent of "The Times" lamented,[2] "to remain after the acceptance of a scheme which he had so strongly opposed, and of which the British Government so much disapproved." At last, the Government decided to yield and to forgo its pet scheme for the sake of the bondholders. It was evident that France would always be in a position, so long as the main question at issue bore a purely financial aspect, to checkmate the most ingenious efforts of the British Government to force the Khedive to accept a protectorate, and this being so, it seemed inevitable that England should renounce for a time her ambition and compromise matters with France in order to safeguard at least the interests of the British bondholders. No doubt it was a bitter disappointment to Mr. Disraeli to have to face such a situation; but what

[1] Egypt, No. 8 (1876), pp. 77-9.
[2] "The Times," June 5, 1876.

with the pressure from the bondholders, on the one hand, and the lamentable failure of the two previous missions, on the other, there seemed to be no other way out of the difficulty.

It was, however, necessary to act with judgment and circumspection. It was a comparatively easy matter to come to terms with the French Government, and the visit which the Earl of Derby paid to the Duc Decazes, the then Foreign Minister of France, probably sufficed to place the business on a satisfactory footing.[1] Quite other was the position as regards the Khedive. The ink with which the British Foreign Minister had written his last despatch to Colonel Stanton was scarcely dry, and it would have been tantamount to a frank acknowledgment of defeat had the Earl of Derby now decided to withdraw it. What appeared necessary was that the Khedive should agree to make some concession to the principle insisted upon by the British, while the latter should unofficially, as it were, acquiesce in the deal which he, the Khedive, might arrange with his creditors. The great embarrassment was to find a suitable person to conduct these delicate negotiations; but it was soon overcome by the appearance on the scene of Mr. (afterwards Lord) Goschen.

Mr. Goschen was at that time one of the Members for the City of London. But he had also been a member of the previous Liberal Cabinet and a partner in the financial house of Messrs. Frühling and Goschen, which floated the first loans of Ismail Pasha. He could thus act officially in the interests of the bondholders and unofficially in the political interests of England, without committing the Government, and yet carrying out its wishes. His appearance was, therefore, greeted with supreme delight. He went several times to Paris to confer with the French bondholders and ultimately succeeded in inducing them to renounce their scheme and to accept another, based on a compromise. The floating debt was to be funded, but

[1] "The Times," April 11, 1876, Paris telegram.

the bonus to its holders was to be reduced to 10 per cent. Besides, the Daira Debt, as the personal debt of the Khedive, was to be excluded from the funded debt and constituted, together with the floating debt, a separate group, nominally charged with 5 per cent. Also the loans of 1864, 1865, and 1867 were to be excluded from the general funded debt for technical reasons, but really because Messrs. Frühling and Goschen were interested in them, and to continue to bear the old 10 to 12 per cent interest. The funded debt proper was by these means to be reduced to fifty-nine millions and charged with a uniform rate of 7 per cent nominal. There was, besides, to be created, for purposes chiefly of conversion, a new Privileged Debt of seventeen millions, which was to bear 5 per cent. Altogether the debt charges now proposed to be laid on Egypt amounted to £6,565,000 per annum, or about 66 per cent of her nominal revenue.

This on the side of finance proper. By way of security for these enormous payments it was decided to accept the same sources of revenue which Ismail had proposed in his own scheme. But in order that these latter might be secured, two Controllers-General, besides the Caisse, were to be appointed, one to supervise the revenue and the other the expenditure of the State, who would take part in the preparation of the Budget, though without possessing the right to interfere with the actions of the Ministers and holding their appointments at the pleasure of the Khedive. This was the political side of Mr. Goschen's scheme, intended as a compromise between the demands of the British Government and the hitherto negative attitude of the Khedive. It was innocent enough in appearance, for were not the Controllers to be appointed and dismissed by the Khedive? Yet it was a great step, inasmuch as it introduced for the first time foreigners, acting on behalf of foreigners, into the Egyptian administration, and placed the latter, as it were, under the supreme surveillance of Europe. It was the thin end of the wedge,

which, with good opportunity and skill, could be gradually pushed further and further, until it destroyed the authority of the Khedive and allowed the substitution in its stead of the authority of somebody else.

When it became known that a compromise had been arrived at by Mr. Goschen and the French bondholders, the enthusiasm on the Stock Exchange knew no bounds. At the beginning of October, 1876, Mr. Goschen held a farewell meeting of the bondholders, at which he faithfully swore "to get as much for the bondholders as can be got on a solid basis,"[1] and a few days later, accompanied by M. Joubert, representing the French financial interests, he set out for Egypt—a modern Hercules bent upon cleansing the Augean stables of Egyptian finance.[2]

Mr. Goschen went out nominally in his private capacity, as the representative of two thousand British bondholders. "These gentlemen," it was subsequently explained in the House of Commons by the spokesman of the Government,[3] "these gentlemen" (Mr. Goschen and his suite) "received from the British Government a certain amount of support such as is accorded to any Englishman who may be going abroad, in the way of civility; but they conducted their business entirely on their own account." Of course, this was one of those pious lies which Ministers often permit themselves *pro bono publico*. In reality, so far from according Mr. Goschen the "usual" amount of support, the Government specially enjoined upon the Consul-General at Cairo to impress upon Ismail the importance of the personages with whom he would have to deal, and not to omit to mention that Mr. Goschen was an ex-Minister of Cabinet rank, who would certainly one day be a Minister again.[4] Mr. Goschen, indeed, so far from conducting the negotiations on his own account, was throughout assisted

[1] "The Times," October 10, 1876.
[2] The flattering comparison with Hercules was made by the Alexandria correspondent of "The Times," November 11, 1876.
[3] Hansard, "Parl. Debates," Vol. 243, 1876, pp. 1626, 1627.
[4] Egypt, No. 2 (1879), pp. 7, 8.

in the most active way by the British Consul-General. This was, of course, in accordance with the prearranged plan and had nothing to do with the ways of "civility."

And now began a sordid game of bargaining and bullying, which culminated in a mysterious drama, whose chief actor was Ismail, but whose real authors have remained to this very day in obscurity, not daring to come out from behind the scenes. It was to be expected that Ismail would not be able long to resist the combined onslaught of Messrs. Goschen and Joubert. Hitherto his safety had lain in the rivalry of the French and British bondholders; now, however, the two factions were united, and there seemed to be no other option left to him but to accept their demands. There stood, however, by his side an old councillor of his, the Minister of Finance, Ismail Sadyk Pasha, who was utterly opposed to any such course of action. The authorities on whom we have to rely for information—all friends of Mr. Goschen and his bondholders—have represented him to us as the very type of an Eastern Pasha, unscrupulous, cruel, dishonest, and bigoted. Perhaps the original was not so bad as he is painted by those whom he opposed in their nefarious objects. At any rate, his attitude at the time was in all respects the right one. He argued that once it came to a composition with the creditors it was the height of folly to accept it on the basis of 7 per cent; 5 per cent was the utmost which Egypt could undertake to pay without ruining herself. And as for allowing the introduction of a control over the finances, which practically meant one over the administration, that was nothing less than an attempt to hand over the country to the foreigner, a thing tantamount to high treason. Indeed, he threatened the Khedive with a general revolt of the country should he agree to this article in Messrs. Goschen and Joubert's programme,[1] and there is reason to believe

[1] In a telegram, published in "The Times," November 13, Reuter's Agency charged the Moufettish with "representing the Khedive as selling Egypt to Christians, and exciting the religious sentiments

that he himself would have contributed to the best of his ability towards the carrying out of his threat. Things became rather critical. "It must be acknowledged," wrote the Alexandria correspondent of "The Times,"[1] "that the new scheme is a serious diminution of the absolute power of the Sovereign. . . . Acceptance is therefore uncertain. If left to himself, the Khedive is enlightened enough . . . to accept the situation. . . . But the party that has profited so much by the old order of things . . . is very strong, and its leader, the Minister of Finance, exercises a powerful influence over the mind of his master."

In these circumstances the removal of the Minister of Finance became a matter almost of life and death for the champions of the "new order." "Rightly or wrongly," remarks the same correspondent with an air of innocence,[2] "his downfall is anxiously desired, and the most certain way of cheering the drooping spirits of the Alexandria Bourse is to repeat the ever recurring rumour that the Moufettish (Minister of Finance) has fallen." After much labour the desired object was finally achieved. Unable to resist the threats of Mr. Goschen, and yet not daring to dismiss the old and powerful Moufettish in the ordinary way, Ismail took him one day for a drive and had him treacherously murdered. The news of the fall of the hated opponent of "reforms" was immediately flashed home by the correspondents of the Press, and the Consul-General reported to the Government that "the chances of success of Messrs. Goschen and Joubert's mission, which owing to the hostile influence and intrigues of the late Minister of Finance for some days looked doubtful, have palpably improved with the fall of the Minister."[3] There was no

of the people against the measures proposed by Goschen and Joubert." It is a common procedure with European mischief-makers, whenever a Mahommedan race revolts against their schemes of exploitation, to charge them with fanaticism.

[1] "The Times," November 13, 1876. [2] *Ib.*

[3] Egypt, No. 2 (1879), p. 21.

cry of execration raised at the news of this cowardly act of Ismail, nor has it ever been much dwelt upon subsequently by the self-constituted prosecutors of the Khedive, who otherwise never failed to emphasise the least flaw in his character.[1] Quite the contrary. No sooner did the glad tidings reach the Alexandria Bourse than Egyptian Stock rose three points within one hour and half, and "The Times" correspondent wrote to his journal jubilantly:[2] "It (the removal of Sadyk) is looked upon as the end of an old system. . . . Ismail Sadyk headed a party which resented European influence in the country and all advance of civilisation. . . . The fall of the Moufettish, who is said to have prepared a counter-scheme, has been considered most favourable to success." Indeed, within a week after the committal of the outrage Ismail notified to Messrs. Goschen and Joubert the acceptance of their scheme,[3] and "civilisation" became an accomplished fact in the valley of the Nile. England and France, headed by the money-lenders, now jointly seated themselves in the seat of the faithful, though not without stepping over the corpse and soiling their garments in blood.[4] It was a

[1] There is only one brief note on the whole story in Lord Cromer's book.

[2] "The Times," November 21, 1876, Letter from Alexandria.

[3] Ismail Sadyk was arrested by the Khedive on November 10, and the Goschen-Joubert arrangement was formally accepted on November 18.

[4] Mr. Blunt gives in his "Secret History of the British Occupation of Egypt," pp. 39–41, a version of the story of the murder of the Moufettish, as supplied to him by Sir C. Rivers Wilson. According to the version, Ismail committed the murder out of fear lest the Moufettish should reveal to Messrs. Goschen and Joubert the manifold deceits which the Khedive had perpetrated in the accounts which were submitted to these gentlemen. But Sir Rivers Wilson was scarcely the man to give an unbiassed account of the story. He was President of the International Commission of Inquiry which had to find an explanation for the failure of the Goschen-Joubert arrangement, and though the thing was perfectly obvious—no country, however rich, can afford paying away on its National Debt 66 per cent of its revenue—the Commission contrived to find another reason in the alleged inaccuracies of Ismail Pasha's accounts. No one who has taken the trouble to wade

fitting beginning of a rule which fed on violence, grew by violence, and finally triumphed over all obstacles by violence.

through contemporary evidence, both official and unofficial, can get away from the impression that the murder was committed, if not by the direct instigation of the financiers, at least, in response to their pressure. The very laconic style of the official reports on the subject is apt to arouse suspicion as to the true nature of this obscure tragedy. In a review of Lord Cromer's book, published in the Washington "Sunday Star," Colonel Charles Long stated, "that Lord (then Mr.) Vivian (the British Consul-General at Cairo), to the writer's personal knowledge, reported the story in detail to the authorities in London. In Egypt the assassin denounced by Lord Vivian was subsequently knighted and dignified with the title of 'Sir.'" It would be well to have the identity of this personage made clear by a publication of Lord Vivian's despatch.

CHAPTER III

"LA HAUTE FINANCE"

WE have now reached a turning-point in our historical drama, and before we proceed further, it will be useful to take a survey of the economic state of Egypt in order that we may the better appreciate the nature of the "moira" which drove first Ismail and then Egypt herself to their doom.

"Egypt," wrote an observant witness at the very time when the wretchedness of Ismail's rule was at its height,[1] 1876, "is a marvellous instance of progress. She has advanced as much in seventy years as many other countries have done in five hundred." This may appear a very strange view to those who are accustomed to date the progress of that unfortunate country since the time of its occupation by the British. It was none the less a very just view, and true, however paradoxical it may sound, of the time of Ismail up to 1875 as much as of any period before him. It stands on record[2] that between 1863 and 1875 the Suez Canal was completed; 112 irrigation canals of an aggregate length of 8400 miles were dug; the railway system was extended from 275 to 1185 miles; more than 5000 miles of telegraph were erected; 430 bridges, including the Ghesireh bridge, which was long regarded as one of the best in the world, were built; the harbour of Alexandria

[1] None other than the then Alexandria correspondent of "The Times" (January 6, 1876), subsequently Ismail's sworn foe.

[2] M. G. Mulhall, "Egyptian Finance," Contemporary Review, October, 1882, p. 531; Baron von Malortie, "Egypt and Foreign Interference," 1883, pp. 144, 123–5; A. Baird, "The Egyptian Muddle," 1884, p. 19; and Cave's report, *passim*.

and the waterworks both there and at Cairo were constructed; the docks at Suez were built; 15 lighthouses and 64 sugar mills were erected, and, moreover, immense street improvements were carried out at Cairo and elsewhere. It has been estimated by competent statisticians[1] that these works alone absorbed between them over forty-six millions sterling. Thanks to them more than a million and quarter acres, representing a gross annual product of crops worth at the time £11,000,000, or a rental of £1,400,000 per annum, were reclaimed from the desert, extending the area of arable land in Egypt from 4,052,000 acres in 1862, the last year of Ismail's predecessor's reign, to 5,425,000 acres in 1879, the year when Ismail was deposed. Simultaneously the imports increased, within the same period, from £1,991,000 to £5,410,000; the exports rose from £4,454,000 to £13,810,000; and the population increased from 4,833,000 to 5,518,000. This is certainly a very good record of progress at a time which now looms in our eyes as an era of financial debauch.[2]

There was, however, much progress also in other directions. In the domain of administration, according to the evidence of a noted authority on Egypt,[3] a series of reforms were introduced "such as no previous governor of Egypt ever contemplated." The administrative system, which had been organised under Mehemet Ali, was now further developed and in many aspects improved; the customs system was thoroughly remodelled under European supervisors; the Egyptian Post Office, hitherto in

[1] Mulhall, l.c., p. 529 and following.

[2] "The statement has been broadly made, and as recklessly repeated, in print and in speech, that the Khedive has borrowed and raised ninety millions of money, and has nothing to show for it but a few lath and plaster palaces. . . . A charge as unjust and rash as it is false. . . . The truth is, that the improvements in public works begun and completed in Egypt during the past twelve years have been marvellous, unequalled by any other country." E. de Leon, "The Khedive's Egypt," 1882, p. 362. The author was American Consul-General in Egypt.

[3] Stanley Lane-Poole, "Egypt," 1881, p. 179 and following.

private hands, was bought and placed under the direction of an official from St. Martin's-le-Grand; above all, the judicial system was radically transformed by the introduction of the Mixed Courts, which put an end to the impunity of the Europeans in a large portion of the domain of Civil Law, and by the substitution, in the case of natives, of European law and European legal procedure for the old Mahommedan usages and Koranic law.[1] Energetic means were also taken to supress slavery and the terrible slave-traffic—a reform the more creditable as it entailed enormous expense upon the Egyptian Exchequer, and Ismail "was acting against the teaching of his faith, the traditions of his people, and the interest of the masses of his subjects."[2] Lastly, there were the efforts of the Egyptian Government on behalf of education.[3] Under Saïd Pasha the educational budget never exceeded the sum of £6000. Now it increased to £80,000, with the subsequent addition of the revenue from certain lands bought back from the Suez Canal Company for 10,000,000 francs, in order that education might be gratuitous and the scholars might receive complete free maintenance.[4] At that time also the first—not only in Egypt, but in the whole Ottoman Empire—schools for girls were established, the well-known Boulacq Museum was founded, and the Cairo Library was so enriched as to become one of the most remarkable in the world. In 1863 we learn,[5] there were only 185 elementary schools in existence throughout Egypt. In 1875 the number of such schools amounted to 4685, and were

[1] Malortie, l.c., p. 108.

[2] *Ib.*, p. 108. "One bright act will for ever stand out in the history of his Viceroyalty—namely, the abolition of slavery in his dominions." Mr. Francis Cobb, in a lecture before the Society of Arts, reported in "The Times," March 20, 1878.

[3] "The educational progress during Ismail's reign has been truly remarkable, and it would be considered so in every country of the globe." E. de Leon, l.c., p. 160.

[4] Malortie, l.c., p. 104.

[5] Report of the British Consul at Alexandria, C. 1662 (1877), p. 30.

attended by 111,803 children, to which must be added a large number of higher schools, both Government and municipal. There were also special schools for soldiers—one to each regiment—and it was stated, in 1872, by the then Military Education Committee, that there were in the entire Egyptian army only 42 illiterates.[1]

In view of what we know of the other side of Ismail Pasha's administration these facts appear almost incredible, yet they were handsomely acknowledged at the time by friend and foe alike. Egypt was recognised by Ismail's bitterest enemy, "The Times," at a moment when frankness suited its purposes,[2] "as having made astonishing progress under Ismail Pasha. . . . He developed the material resources of Egypt to the best of his knowledge and ability. Railways, harbours, and the Canal were his work. He sought to improve agriculture by the introduction of new seeds and new processes, and he did what he could to amend the administration, both judicial and executive, within his dominions."

It is of the utmost importance that this progressive side of Ismail's reign should be borne in mind, since it will help us to understand the real nature of the ruin which was brought about by his financial extravagance. It is, first of all, plain that even if Ismail had entirely confined his activity to the achievement of these reforms he would have landed, sooner or later, in great monetary difficulties. It is in the nature of most such improvements, whether material or moral, that they require ample time to yield the fruit that is expected of them, and it was certainly the height of folly to have spent nearly £50,000,000 within thirteen years on public works alone, which could only confer their benefits on future generations. Mr. Cave, as to this, said justly enough in the course of his report,[3]

[1] Report of the British Consul at Cairo, C. 707 (1873), p. 31.

[2] In the issue of September 27, 1879; also Cave's report, p. 2: "The productive power of the land has immensely increased during the administration of the present ruler."

[3] Report, p. 1.

"Egypt may be said to be in a transition state, and she suffers from the defects of the system out of which she is passing, as well as from those of the system into which she is attempting to enter. She suffers from the ignorance, dishonesty, waste, and extravagance of the East, . . . and at the same time from *the vast expense caused by the hasty and inconsiderate endeavours to adopt the civilisation of the East*" (the italics are ours). The latter remark was certainly true. Ismail, to speak with Sir Samuel Baker,[1] "undertook the rapid accomplishment of a work that would require many years of patient labour," and as a result, an enormous amount of capital got locked up, and, the country possessing no accumulated savings, financial difficulties were bound to ensue.

Still this part of the difficulties must not be exaggerated. Mr. Cave himself pointed out that the hastiness and inconsiderateness of Ismail's endeavours was a fault "which Egypt shared with other new countries." He pointed to the example of the United States and Canada, and expressly added that "probably nothing in Egypt has ever approached the profligate expenditure which characterised the commencement of the railway system in England." Other witnesses took a still more lenient view of this aspect of Ismail's financial management. "Whatever may be the temporary financial embarassments of Egypt," said one of them,[2] "they have had no part of their origin in any decline of her trade. The resources of the country were never in modern times more abundant, nor its commercial movements more healthily active than at this moment when the market price of its unified debt is yielding an interest of 14 per cent." Egypt, said also Mr. (afterwards Sir) John Fowler, who was the consulting engineer of the Khedive, and had an intimate knowledge of Egyptian

[1] "The Reform of Egypt," Fortnightly Review, November, 1882, p. 537.

[2] McCoan (at the time M.P.), "Egypt As It Is," 1877, p. 174. Compare de Leon, l.c., ch. xix, where he refutes the idea that Egypt was on the verge of bankruptcy.

affairs,[1] "Egypt has expended large sums of money during the last ten years on works which have been the means of large immediate development and have laid the foundations of future prosperity. . . . It may be that these works have been constructed in a shorter time than was desirable with reference to the resources of the country. A good deal may be fairly said for and against, but it cannot be denied that they were essential to the national development." Lastly, Sir Samuel Baker bore witness to the fact[2] that "from 1864 to 1878 he (Ismail) had effected an extraordinary change, which was only too rapid for the capabilities of his administration, but the change was progressive, and the seeds were sown of future greatness."

In a word, the "hastiness and inconsiderateness" of Ismail's efforts in effecting various improvements were a great drawback; but they could not by themselves have brought about that perfect financial ruin which compelled Ismail to declare bankruptcy. It is evident that the chief reason of the financial collapse of Egypt must be sought elsewhere, namely, in what Mr. Cave called "the ignorance, dishonesty, waste, and extravagance of the East."

Of these characteristics of the East, much has been spoken in connexion with Ismail's financial administration, but strange to say, the corresponding rapacity of the West has very seldom been mentioned in any but a casual manner. Yet the cupidity and levity of Ismail, and the scoundrel practices of the European financiers, went so closely together in creating the havoc to which Egypt ultimately succumbed that to separate them and to emphasise only the share contributed by Ismail is to do the utmost violence to historical truth. It is, on the contrary, absolutely necessary to emphasise the fact that though Egypt, at the end of 1875, was saddled with an indebtedness amounting, exclusive of the floating liabilities, to more than £68,000,000, the real sum for which this

[1] In a letter to "The Times," October 28, 1875.

[2] "The Reform of Egypt," l.c., p. 539.

figure stood, i.e. the net sum which reached the Egyptian Treasury, was less than £44,000,000, the difference having found its way into the pockets of the money-lenders and their agents in the form of commissions, premiums, and a multitude of other fanciful charges.[1] As a result, what the Treasury had to pay yearly in interest and sinking fund, amounted not to the 7 or 8 per cent, with which the loans were nominally charged, but to double and treble that figure. It was a case of financial robbery such as had never been heard of before except in the case of Turkey. The entire so-called high finance of London and Paris was in a formal conspiracy to rob the vain, inexperienced, and light-minded Khedive of Egypt, and bogus banks, under various high-sounding names, such as the Anglo-Egyptian, the Franco-Egyptian, etc., sprang up in a night, like mushrooms, for the special purpose of enticing the Khedive to float a new loan at usurious interest. The last loan, of 1873, which was intended for wiping out the floating debt (amounting at the time to £28,000,000) was perhaps the most typical of all.[2] It was nominally floated for no less a sum than £32,000,000, at 7 per cent interest and 1 per cent sinking fund. The syndicate, however, only gave Ismail 20·7 million ponnds, retaining the difference of nearly £12,000,000 as "security" against risk. Not content with that, they forced Ismail, under threats, to accept £9,000,000 in his own bonds of floating debt, at the price of 93 per cent, though they were quoted at the time and had actually been bought by the syndicate at 65 l Well might an Englishman, sensitive of his national honour, write at the commencement of 1876, that "this whole episode of modern finance is one at which every true-hearted Englishman may well blush, hiding his head with shame to think that his fellow-countrymen should in any way have been mixed up in transactions

[1] Cave's Report, p. 7. Mulhall, l.c., puts the net proceeds of the Egyptian loans since 1862 at 50·5 million pounds.
[2] Cave, *ib.*, p. 8.

fraught with such untold misery to so many millions of people."[1]

It is these methods of modern finance which were chiefly responsible for the wretched state in which Egypt found herself in spite of the great advances made by her during the thirteen years immediately preceding, and the still greater prospects that were in store for her. "These statistics" (of imports, exports, education, etc.), Mr. Cave himself confesses,[2] "show that the country has made great progress in every way under its present ruler, but, notwithstanding that progress, its present financial position is . . . very critical. The expenditure, though heavy, would not of itself have produced the present crisis, which *may be attributed almost entirely to the ruinous conditions of loans raised for pressing requirements, due in some cases to causes over which the Khedive had little control.*" We make a free present of this testimony of a man who was by no means a friend of the Khedive to all those who are assiduously trying to represent Ismail as the sole cause of Egypt's ruin. Not only did Egypt make "great progress in every way" under Ismail, but whatever temporary difficulties there were, were "almost entirely" due to the ruinous conditions which the money-lenders had imposed upon him. Far be it from us, of course, to condone the criminal recklessness with which Ismail permitted these leeches to gain access to the unfortunate country of which he was the ruler, and we perfectly sympathise with the Egyptian nation which cannot even now mention the name of Ismail without execration. But it is one thing for the Egyptian people to regard him as the cause of their ruin, and a totally different thing for the money-lenders and their agents to do so. They know very well that it is they who brought Egypt to the verge of ruin—they, "the adventurous rogues," as they were called by a high financial

[1] "Turkey, Egypt, and the Eastern Question," in "Fraser's Magazine," 1876, January, p. 12.
[2] Cave's Report, p. 6.

authority, whom "the agonies of the wretched slaves of Egypt do not reach."[1]

But these were not the only "adventurous rogues" who made it their business to trade upon the weaknesses and folly of Ismail. There were numerous contractors who supplied Ismail with goods, or undertook to carry out his schemes of improvements, and were good enough to charge him prices such as would have ruined their reputations in Europe. The contractors for the construction of the Alexandria harbour overcharged him nearly 80 per cent; those who were building his railways charged him nearly four times more than the real worth of the undertaking, and similarly the contractors for the erection of his sugar factories, of the waterworks, etc.[2] With a few honourable exceptions, most of Ismail's technical and other advisers were in the pay of, or were bribed on special occasions by, this peculiar species of usurers, who, moreover, would often form a ring and compel the ignorant Khedive to agree to their fantastic terms. Perhaps the celebrated award of Napoleon III in the matter of the dispute of Ismail with the Suez Canal Company should also be classed among these achievements of the European contractors. The construction of the Suez Canal was one of the most disastrous of the undertakings which contributed to Egypt's economic and financial embarrassments. It was not only absolutely worthless to Egypt, owing to its topographical position in a remote corner of the country,

[1] Mr. A. J. Wilson, "The Financial Position of Egypt," "Fraser's Magazine," June, 1876, p. 806.

[2] Mulhall, l.c., p. 529 and following. It is curious to observe that even these frauds of the contractors and builders were often quoted against Ismail Pasha, as proof establishing his "extravagance." Mr. Edward Dicey, in a celebrated article on "Egypt and the Khedive," "Nineteenth Century," December, 1877, waxed very indignant against Ismail over such facts as that the railways which were booked at over £13,000,000 were in reality only worth, in his estimate, about £3,000,000. To this Mr. McEwen, in the following number of the same Review, very properly replied: "Mr. Dicey may think this too high a figure, but Egypt is not the only country where railways have cost more than they are worth."

separated by a strip of the desert from its most fertile portion, but it directly injured her by diverting the transit traffic, which formerly went through Alexandria and Suez.[1] It will, perhaps, for ever remain a mystery by what means M. de Lesseps succeeded in obtaining the consent of Saïd Pasha, Ismail's predecessor, to this unfortunate scheme. A still greater mystery is, how Saïd Pasha could have been prevailed upon to undertake the supply of 20,000 corvée labourers for the work of construction, thus creating an enormous burden for his people in exchange for the paltry 15 per cent of the prospective net profits of the company after the payment of the statutory dividends. Suffice it to say, that no sooner did Ismail succeed to the throne than he repudiated this clause, together with a couple of others, equally iniquitous, which provided for the cession of a broad belt of land along the Canal, and of a fresh-water canal to the Company free, gratis and for nothing. In the ensuing dispute Napoleon III was called upon to arbitrate, with the result that Ismail was condemned to pay £3,360,000 as damages to the Company.[2] This award caused much indignation at the time; nevertheless, it was but one act of robbery among many to which Egypt had to submit at the hands of enlightened and virtuous Europe.

It is only in the light of the above and numberless other facts of a similarly disgusting character that the true nature of the campaign opened and successfully carried out by the British and French bondholders and their respective Governments is made apparent. "So long as he (Ismail) had securities to offer," writes Baron von Malortie[3] with bitter sarcasm, "the anterooms of his Ministers were overcrowded with lenders anxious to lend him millions at a percentage prohibited by the penal laws of their own country. . . . Cringing as long as

[1] Egypt, No. 2 (1879), p. 184.

[2] McCoan, l.c., p. 89.

[3] l.c., p. 131, 132.

they could hope to get something out of him, they became as threatening and as impudent as we know the money-lending tribe to be with insolvent debtors. Had this been the case of an ordinary mortal, a court of law would have reduced the outrageous claims to fair and just proportions." Mr. Cave, as we have seen, himself pointed out in his report what should have been the course of action on the part of Ismail as soon as he found he could no longer meet his liabilities towards his usurious creditors. "Egypt," he said,[1] "is well able to bear the charges of the whole of her present indebtedness at a reasonable rate of interest; but she cannot go on renewing floating debts at 25 per cent and raising fresh loans at 12 or 13 per cent interest to meet these additions to her debt which do not bring in a single piaster to her Exchequer." In other words, Ismail, in the opinion of Mr. Cave, should have repudiated his liabilities to the extent of those fanciful charges which had been imposed upon him on the plea of risk, and reduced the interest to a figure compatible with the resources of the country.[2] That would have been no more than the creditors themselves expected, while it would have safeguarded their legitimate interests for the future. No doubt, sooner or later Ismail, with all his vanity and false pride, would have been driven to take this course, and the country would have been spared that enormous drain which within a few years brought about the total destruction of all the previous work of reform and improvement, and produced a veritable administrative and economic anarchy. But his creditors proved more alert, and the very men who had previously recouped themselves—in advance, as it were—against all possible loss, began to move heaven and earth to prevent Ismail from partially repudiating his liabilities. "He (Ismail)," wrote the "Edinburgh

[1] *Vide supra*, p. 23.
[2] The same opinion was held even by "The Times"—see its leading article in the issue of April 5, 1876.

Review," eighteen months after the deposition of Ismail,[1] "had been helped in his course by many who carry their heads very high in Europe now, who battened on his fat pastures, and then denounced him. These apostles of respectability—who only discovered the bad character of their pupil when he suspended the payment of usurious coupons, or stopped from sheer exhaustion the flow of money, under contracts which at home would have been declared scandalous—were knocking daily at Ministers' doors in Paris and London, in the year 1876, urging these Governments to intervene in their behalf."

We have seen with what success the efforts of the said "apostles of respectability" (to whom we must now add their apologists) were crowned; we shall now turn to see what their effects were.

[1] "Egypt Bound and Unbound," April, 1881, p. 345.

CHAPTER IV

THE BONDHOLDERS AT WORK

THE period of twenty-two months from the issue of the Goschen-Joubert decree to the formation of a European Ministry in August, 1878, is that which may be designated as the first, or financial, Dual Control. It practically represents a period of financial administration of Egypt by European officials acting in the interests of the bondholders, though nominally in the service of the Khedive. As we have already explained, the situation thus created was the result of the decision of the British Government to suspend for the time being its political schemes and to allow the British bondholders a free hand in coming to an agreement with their French brethren with a view to common action on the Nile.

It was in accordance with this studied reserve that the Government still continued officially to ignore the new arrangement as one of a purely private character, and declined to make an appointment either to the Caisse or to the post of a British Controller-General. It, moreover, gave its solemn assurances to the Opposition that henceforth no English official would be allowed to take service with the Khedive without resigning his post.[1] This undertaking was, indeed, carried out in the case of Mr. Romaine, a late Judge-Advocate of the Indian army, who was invited by Mr. Goschen to take up the duties of the Controller-General of the revenue, along with Baron de Malaret, who was on the French side appointed for the expenditure. Nevertheless, when Mr.

[1] Hansard, "Parl. Debates," Vol. 232, 1877, p. 121.

Gerald Fitzgerald, an officer of the Indian Financial Department, was offered by Mr. Goschen the post of Deputy Controller-General of the Egyptian Finances, the Government contented itself with merely granting him a "year's leave,"[1] while Major Baring (subsequently Lord Cromer), who almost simultaneously accepted from Mr. Goschen the post of an English Commissioner on the Caisse at a salary from the Khedive of £3000 per annum, was not even seconded.[2] Evidently even a self-imposed reserve was too great a strain on the lusts of the then British Government.

The new régime began to operate from the end of 1876, and its efficiency was at once demonstrated by the promptness with which the January coupon was paid. In spite of the complete deadlock in the commercial and industrial markets, in spite of the great distress among the agricultural population, the sum needed for that coupon was ready before it fell due. This miracle was achieved by very simple means. Not only were all luxuries of the Court and the harem cut down to the utmost, but most of the salaries due to the Government functionaries were detained and a portion of the army was disbanded. But as even these sources proved inadequate, recourse was had to the traditional whip, and the fellaheen were made to disgorge their treasures. "Taxes," wrote an unprejudiced contemporary writer, "have been rigorously exacted, and accounts from the interior concur in the statement that there has been an anticipation of the revenue of the new year."[3] It is, no doubt, rather piquant to recall the fact that this same contemporary but a couple of months previously had written, anent Mr. Goschen's efforts, as follows:[4] "At one time a considerable party both here and in London maintained that Egypt could

[1] Hansard, *ib.*
[2] "The Times," January 15, 1877.
[3] The Alexandria correspondent of "The Times," January 26, 1877.
[4] "The Times," November 27, 1876.

only pay 5 per cent. But it would be a very grave error in public morality and public policy to relieve the country of so large a portion of its liability. . . . The amount required will be cheerfully paid by the fellaheen and enough will even remain to enable farmers to supply phosphates to their lands." It may be imagined how "cheerfully" the fellaheen paid their taxes a year in advance, and what a gain in "public morality" and "public policy" there was in exacting the full pound of flesh in accordance with the bond.

In the same spirit the finances continued to be managed all through the year 1877. In order to secure the payment of the July coupon several highly ingenious methods were resorted to, such as the sale to an English firm of a concession for the export of old bones and the use of ancient Egyptian tombs as storehouses of phosphates; the sale of a concession for the exploitation of the oil-wells of Ismailia; an increase, amounting to 100 per cent, of the Custom dues at Alexandria; a similar increase of railway rates, and so forth. There was also a project of selling a concession to a certain M. Blanc, of Monaco and Homburg fame, for the establishment of gambling houses, café chantants, etc., but the parties were unable to come to terms.[1] Nevertheless, as the time approached when the July coupon was due, there was still, in spite of these and other measures, some deficiency, as the imports through Alexandria had greatly fallen, and a considerable portion of the goods traffic, which formerly had been carried over the railways, had been diverted to the Nile.[2] In these circumstances the crop in the provinces assigned for the payment of debt was taken away from the peasants "on account of arrears," and sold to a British syndicate, that of Messrs. Whitworth, for £500,000.[3]

[1] "The Times," letters from Alexandria, March 3 and December 12, 1877.
[2] Lecture by Mr. Francis Cobb, in "The Times," March 20, 1878.
[3] "The Times," June 15, 1877.

"This produce," "The Times" correspondent wrote,[1] "consists wholly of taxes paid by the peasants in kind, and when one thinks of the poverty-stricken, over-driven, underfed fellaheen in their miserable hovels, working late and early to fill the pockets of the creditors, the punctual payment of the coupon ceases to be wholly a subject of gratification." In vain did Ismail at the time point out the impossibility of paying the coupon, and implore the Controllers not to ruin the country by their exactions.[2] Like "honest men" who were "determined to do their duty to the best of their abilities,"[3] the European officials would listen to no apologies, and the coupon was paid in full. "Egypt," wrote the then British Consul-General, referring to this achievement,[4] "has made payments amounting in round numbers to £6,000,000 in eight months. All this speaks well for the efficiency of the new control, but I fear that these results must have been achieved at the expense of ruinous sacrifices of the peasantry, by forced sales of growing crops, and by collecting the taxes in advance; while the native employés, whose regular payment is an essential condition of reformed administration, have been sacrificed to the exigency of meeting the coupons, and their pay is heavily in arrears." Even "The Times" correspondent who had been, in the face of Ismail Sadyk's protests, so wonderfully optimistic, felt it incumbent upon him to warn Mr. Romaine "not to forget the fellaheen in his zeal for the creditors, or he may one day overstep the limits of productiveness."[5]

[1] "The Times," Letter from Alexandria, June 27, 1877.
[2] Egypt, No. 2 (1879), pp. 72 and 73.
[3] Says Lord Cromer of himself and his colleagues of that time: "I do not claim for the European officials who, at or about this time, came to Egypt any special qualities. . . . But we all possessed some characteristics in common. We were all honest. . . . We were all determined to do our duty to the best of our abilities." "Modern Egypt," Vol. I, p. 24.
[4] Egypt, No. 2 (1879), p. 73.
[5] "The Times," July 21, 1877.

The result of this exceedingly dexterous and humane management of the finances was that in the autumn of the same year—barely one year after the conclusion of the Goschen-Joubert arrangement—the whole administration of the country came to a deadlock. "The Treasury chest is empty," Mr. Vivian reported to the Government in November, 1877,[1] "the troops and Government employés are many months in arrears of pay, and among the latter class the greatest distress and misery prevails. The whole administration of the country is at a deadlock." Of the entire revenue of £9,543,000 during 1877, no less than £7,473,000 were taken by the creditors of the State, and deducting the Tribute to the Porte and the interest on the Suez Canal shares, only slightly over a million was left for the needs of the administration.[2] The coupon which was due on December 15 was not paid, and had to be postponed for a fortnight.

It was evident things could not continue to go on much longer in this way. The bondholders and their agents were simply killing the goose which was laying the golden eggs, and for their own sake, if not for the sake of the Egyptian people, it was necessary to revise the Goschen-Joubert arrangement. Mr. Romaine himself, not to speak of the Khedive, thought that the burden imposed by that arrangement on the people of Egypt was far too heavy, and drew up a memorandum showing that the taxes paid by the peasantry considerably exceeded their economic powers.[3] Not so, however, did the bondholders think. Major Baring, who acted throughout as their most faithful servant, at once issued a counter-memorandum, declaring that he did so because "Mr. Romaine's opinion may possibly be quoted to justify a temporary or perhaps permanent change in the relations between the Government (of Egypt) and the holders of Egyptian stock, whose interest we represent." He controverts the figures quoted by Mr. Romaine, compares

[1] Egypt, No. 2 (1879), p. 97. [2] *Ib.*, p. 113. [3] *Ib.*, pp. 136–8.

them with the burden of taxation which is imposed upon the peasantry of France, Turkey, and even India, and arrives at the conclusion that "by comparison with these rates it does not appear that the Egyptian rates of assessment are excessive." "I have no hesitation in saying," he declares, "that neither my colleagues nor myself will be able to recognise the justice of demanding any sacrifices from the creditors on the ground that Mr. Romaine's report gives an accurate account of the available resources of the country."[1] Major Baring thought there was another way out of the difficulty. He and M. Blignières, the French Commissioner of the Caisse, went to Europe to confer with the bondholders, and on return they laid before the Khedive a scheme for an international inquiry into the finances of the country, with a view to deciding once and for all how the interests of the bondholders were to be reconciled to those of the Egyptian State. The proposal was certainly rather impertinent, as Egypt was still an independent State, and could not, without loss of dignity, allow foreigners to pry into its finances. Its impertinence, however, is still more heightened when we learn what were its ulterior motives. It is not to be supposed that the bondholders were really anxious to find a means for "reconciling" their interests with those of Egypt. "It is announced," an Agency telegram from Paris reported in the middle of March, 1878,[2]

[1] Egypt, *ib.*, pp. 146-9. It is interesting to read in the light of this defence of the bondholders' interests the lament of Lord Cromer that Ismail should have failed to recognise the importance of the changes which had brought him face to face with "honest" men. "Had he succeeded in acquiring the confidence of this small body of European officials, and in enlisting their services on his side, it is not only possible, but even probable, that he would have remained Khedive of Egypt till the day of his death." "Modern Egypt," Vol. I, p. 25. Imagine what "confidence" Major Baring could inspire at that time! With regard to the "small body of European officials," it is instructive to note that already at this period complaints were made on all hands as to the "multiplication of highly paid offices filled by Europeans." See "Times," letter from Cairo, February 10, 1877.

[2] "The Times," March 14, 1878.

"that the committee of English creditors have declared that they could not admit of any modification in the engagements of the Khedive, and that they deemed the duty of a Commission of Inquiry, in the event of the present receipts proving insufficient, not to be to reduce the interest on the debt, but to place the taxes on a new footing so as to insure the full payment of the interest. . . . The English and French Consuls, it is added, have jointly taken steps with a view to induce the Khedive to observe his financial arrangement." The idea of the proposed inquiry, therefore, was not to revise the Goschen-Joubert arrangement, as was clearly called for by the circumstances, but simply to discover some new sources of income, be it in the shape of new taxes or by appropriation of some additional revenue, in order that the monstrous arrangement might still be continued. With this end in view a rumour was specially set on foot that the Khedive and his Ministers were concealing part of the assigned revenue for their own use,[1] and in February, 1878, a show was even made of forcing the Minister of Finance, through the Mixed Courts, "to account for the deficits in amounts that should have been paid into the Caisse." There were, besides, the personal estates of the Khedive and his family on which the bondholders could lay their hands, since, in the words of that valuable contemporary, the Alexandria Correspondent of "The Times,"[2] "a house that owns property worth fifteen or twenty millions sterling, on which at present there is only one mortgage, cannot yet be considered in the light of an embarrassed owner, unable to set himself right with the creditors." It was clear that the intention of the Commission of Inquiry was simply to effect a new and large piece of robbery from the people of Egypt and its ruler, in order to satisfy the hungry appetites of the creditors.

[1] Egypt, No. 2 (1879), p. 122; "The Times," letter from Alexandria, February 14, 1878.
[2] "The Times," May 1, 1878.

Small wonder then that Ismail Pasha was taken aback by this proposal. At first he would not even hear of it, but at last he gave his consent in so far as the inquiry would relate only to the sources of revenue. But that would not satisfy the bondholders. They also wanted to overhaul the State expenditure, in order that they might find the means of cutting it down to a minimum so as the better to insure the payment of the interest on the debt. This again exasperated Ismail. It simply meant handing over the entire budget of the country to foreigners and permitting them to dispose of it in any way they liked. That was tantamount to the establishment of a joint European protectorate over Egypt—really the end of Egypt as an independent State. Many a time during these anxious hours Ismail must have thought of the warning of the old Moufettish not to allow the European leeches to come in any way near the administration of the country. But it was now too late. "I shall certainly not shrink," declared Mr. Goschen ominously in "The Times,"[1] "from making every effort and using all influence I can command to defeat this apparent attempt of the Egyptian Government to institute an incomplete inquiry." Prince Halim, the uncle of Ismail Pasha and pretender to the throne, who had been living in semi-exile in Constantinople, began suddenly to figure in the Press telegrams emanating from Paris and Alexandria,[2] and Mr. Goschen, in a second letter addressed to "The Times," threatened the Khedive with action at the forthcoming Berlin Congress, "where the position of Egypt will no doubt be discussed."[3] It is impossible to say at present to what extent, if any, these dark threats would or could have really been carried out. They did not, however, fail in their intended effect. Ismail was cowed by this constant bullying, and yielded

[1] "The Times," January 31, 1878.
[2] See, for instance, the leading article in "The Times," September 7, 1878.
[3] "The Times," February 25, 1878.

to the demands of the bondholders. On April 4, 1878, a Khedivial decree was issued appointing an International Commission of Inquiry, whose task—the bondholders gave warning—was "no longer regarded either in England or in France as a private one, but as an official investigation bound to involve resolutions to which the Viceroy will have to give or refuse his approval with a consciousness of the responsibility attached to his decision." [1]

Meanwhile, however, the interesting game of extracting the interest on the debt from the impoverished peasant and ruined State was going on as merrily as ever before. The Nile in the autumn of the preceding year was a very low one, and there was in 1878 a great failure of crops.[2] There had been, besides, a disastrous outbreak of cattle plague, and the cotton market was exceedingly depressed. As a result, the whole of Upper Egypt was ravaged by famine such as had not been heard of for many generations back. Women and children were travelling from village to village begging for food, and in a number of instances they had to feed on the refuse and garbage of the streets. It was computed that no fewer than 10,000 persons had been carried off by famine during the summer of that year, not counting those who had perished from dysentery and similar starvation-bred diseases.[3] Nevertheless, when the Khedive applied that the May coupon might be postponed, he was met with a stern refusal. In vain he besought the foreign officials that, at least, the Government employés, many of whom were literally starving, might be paid, and warned them, in words of almost mortal anguish, that "the responsibility for the consequences would not rest with him." [4] Even Mr. Vivian

[1] Paris telegram, "The Times," April 5, 1878.

[2] Over 800,000 acres were, owing to the lack of water, left uncultivated, and the Exchequer lost in revenue over one million pounds.

[3] Egypt, No. 6 (1888), p. 7.

[4] *Ib.*, No. 2 (1879), pp. 194 and 198. "That a vast army of minor Government officials should be next door to starvation is a

and Mr. Romaine were in favour of postponing the payment of that particularly murderous coupon.[1] The British Government, however, yielding to the clamour of the bondholders, and partly with a view to gaining the adherence of France at the Berlin Congress, turned a deaf ear to all entreaties, and by telegraph ordered that the coupon must be paid. There was still wanting, a week before May 1, over a million sterling to meet the precious slip of paper due on that day, but Reuter's Agency was in a position to console the public that "in consequence of the pressure brought to bear by England and France, the Egyptian Government will leave nothing undone to insure the payment of the coupon." [2] And, indeed, it was paid to the minute, but how, may be left to the reader to imagine. In numerous cases the fellaheen had to sell their standing crop for half, and less than half, the sum they subsequently had to pay to get it back for food. Whole provinces were ruined and depopulated permanently. The July coupon was paid under similar circumstances. The Khedive once more made an attempt to obtain postponement of the term, saying that "he had already given up everything to the bondholders, and he saw no possibility of offering creditors better terms without ruining his country, which was already overburdened." To this Mr. Vivian, acting under the instructions of his Government, curtly replied that "the creditors ought not to suffer for a deplorable state of things for which they were in no way responsible." [3] The coupon was paid in full, and Mr. Vivian, who, of course, well knew the circumstances, wrote to his chief as follows: "I fear the European administration may be unconsciously

scandal far more serious than even a temporary suspension of the Public Debt." The Alexandria Correspondent of "The Times," May 1, 1878. And yet Ismail was so obstinate as not to wish to acquire the confidence of the small body of honest European officials!

[1] "The Times," letter from Alexandria, May 14, 1879.

[2] *Ib.*, April 25, 1878.

[3] Egypt, No. 2 (1879), p. 71.

sanctioning (he should rather have said ordering) the utter ruin of the peasant creators of wealth of the country, for which I hold that Englishmen are incurring a serious responsibility." [1] Alas for Mr. Vivian! Not only did this and similar warnings, uttered by him on various occasions, fall on deaf ears, but they eventually cost him his post. Twelve months later he was recalled as a man radically unfit to discharge the duties of an advocate of the bondholders' claims.

In the meantime, however, the International Commission was already engaged on its task—approaching, in fact, the end of its labours. Its formation was made once more the signal for ventilating the question whether the time had not arrived for obtaining a "protectorate" over Egypt, and numerous kites were flown by the Press with a view to gauging French sentiment on the question. "Whatever may be the turn of events in the unknown future," wrote "The Times," in the cautious manner of an experienced diplomatist,[2] "it is reasonably certain that Egypt will for a long time to come remain one of the centres of political interest. . . . We are not, indeed, the only nation whose eyes are turned to the valley of the Nile. If it were so, the solution of the Egyptian question would be comparatively simple. From the earliest days of Mehemet Ali . . . the French have striven to acquire and maintain a preponderating influence in Egypt. They would look with the keenest jealousy upon any step that might appear to indicate an intention on our part to control Egyptian politics." This was a "feeler" dexterously thrown out, but the correspondents of the same journal were allowed to speak more bluntly. In describing, for instance, the agricultural resources of Egypt, the Alexandria Correspondent is permitted to wind up with a phrase that "this description will be of interest to all those who agree with the Continental opinion that England must before long become

[1] Egypt, No. 2 (1879), p. 73. [2] April 19, 1878.

either the patron or proprietor of the valley of the Nile." [1] Similarly, writing of the alleged rumours of an impending proclamation of a joint Anglo-French protectorate over Egypt, the above Correspondent is allowed to publish the following sentiments: "The idea of an Anglo-French occupation does not meet with favour. We have had so much experience of dual administrations when progress is impeded by the jealousy of the heads, that we doubt the harmonious working of any such combination. . . . People also ask what real interest has France in Egypt. . . . No doubt, one of the great financial institutions in Paris is up to the neck in Egyptian securities, but five years of an English protectorate would set that matter right." [2]

These various kites, however, soon revealed the fact that France was not at all inclined to favour the idea of an English protectorate. She was perfectly willing—in fact she was anxious, to have a joint-protectorate over Egypt, but that would not suit England, to whom a joint-protectorate spelt the end of her own exclusive ambitions. Ultimately both schemes had to be dropped, England consoling herself with the reflection that though the French interests in Egypt were "only imaginary," Egypt was "not worth serious disagreement with France." [3]

It was because she had failed in her object of getting the sole protectorate over Egypt, while at the same time opposed to any dangerous move in the direction of a joint or international protectorate, that England suddenly became in favour of the Commission of Inquiry co-opting an Egyptian representative and retaining a purely financial character. She even warned the French Government, which was insisting on excluding all Egyptian elements from the Commission, "not to drive the matter too hard," but to remember that "the Khedive is still ruler of his

[1] "The Times," April 17, 1878.
[2] *Ib.*, March 26, 1878.
[3] Paris telegram, "The Times," September 23, 1878.

own country."[1] Nevertheless, she did everything in her power to make her influence on the Commission as weighty as possible, in order to show the Khedive with whom he had most to reckon. The Commission was to consist of the four members of the Caisse, together with one additional representative each, from Egypt, France, and England. Riaz Pasha, who was a pronounced Anglophile, was the Egyptian member. As the representative of France and at the same time President of the Commission, Ferdinand de Lesseps, the builder of the Suez Canal, was designated; while as the delegate from England the Khedive much wanted to have General (then Colonel) C. G. Gordon. The latter, however, was got out of the way by some means,[2] and his place was taken by Sir Rivers Wilson, who has already figured in our story at the beginning of the Egyptian trouble. Sir Rivers was then still employed in the National Debt Office, at a salary of £1500 per annum, and his appointment on the Commission constituted a flagrant violation of the undertaking the British Government had given of holding aloof from the quarrel between the Khedive and his creditors, and, at any rate, of compelling all those who took office in Egypt to resign their home appointments. At first the Government attempted to deny that

[1] "The Times," letter from Alexandria, December 12, 1877.

[2] See Sir William Butler, "Charles George Gordon," pp. 139–40. "Their names (those of Ferdinand de Lesseps and of Gordon) were at once a guarantee that their work would have been above suspicion. But, in truth, honest men were not wanted either by the bondholders of Egypt, or by the rival powers who were hankering after her flesh-pots. Ismail had summoned to his aid the one man who might have saved his throne and his country, and that man must be got rid of as soon as possible. He was got rid of. Opposed on all sides, snubbed by the English Government officials, rudely answered by English Ministers, turned into ridicule by the hirelings of the Press in Cairo, and plotted against at the palace and the consulates by pashas, commissioners, consuls, and the whole tribe of Cairene intriguers, Gordon went back again to bury himself for another couple of years in the Soudan." Gordon was for postponing the payment of the interest on the debt till the arrears owing to the native officials had been first paid.

"there was any intention on their part to interfere officially between the Khedive and his creditors"; subsequently, however, they had to acknowledge that this was an act of intervention, while justifying it on the ground that the appointment was necessary "in order that we might look after our own peculiar interests."[1] This, it would seem, meant that Egypt should make no arrangement with the creditors that would jeopardise the payment of the Tribute to the Porte, for which England stood as a guarantor![2] The position was very well put by the Alexandria Correspondent of "The Times," who said that "he (Sir Rivers Wilson) comes as before *officieusement*, though not *officiellement*, from the British Government, and all his expenses will be paid by the British, not the Egyptian Treasury."[3]

The appointment of Sir Rivers Wilson was a very happy one for England, as he, together with Major Baring, practically ruled the show. There was another important member of the Commission in the person of M. Blignières, but he was already at that time gained over by Major Baring, and was standing at the beginning of that course which subsequently aroused against him the indignation of the French colony, which charged him with betraying the interests of France in favour of the English, and ultimately led to his recall and disgrace.[4] There remained only M. de Lesseps, but he, too, in some unaccountable way was made innocuous and induced to resign his seat. Sir Rivers Wilson was then elected President of the Commission, and the ship, thus properly manned, weighed its anchor under the applause of the Alexandria and London Stock Exchanges.

[1] Hansard, "Parl. Debates," Vol. 239, 1878, p. 228.

[2] *Ib.*, p. 1627.

[3] "The Times," April 17, 1878.

[4] See "Documents et Extraits de Journaux," 1881, published by the French Colony in Egypt.

CHAPTER V

THE EUROPEAN MINISTRY AND THE FIRST REVOLT

THE International Commission of Inquiry commenced its labours in April, 1878, and in the beginning of August its first report, called the "Preliminary," was ready and out. The members of the Commission, more especially the English members, had gone to their work with commendable zeal, unearthing all the abuses, corruption, and general chaos, which distinguished the financial administration of Egypt. The results were set out in appropriate colours, and submitted to the Khedive and the world at large for their edification and righteous indignation. No doubt, most of the charges set out in the indictment were true. When we remember the innumerable cases of corruption and irregularities which occur almost daily under such enlightened and democratic Governments as those of England, France, or the United States, we cannot be surprised at their existence under an irresponsible Government such as the Khedive Ismail's was, though, probably, this very circumstance would make us chary in waxing so virtuously indignant at them, as the Commissioners were. We shrewdly suspect that if commissions of foreigners were permitted to pry into the secrets of State administrations, many a European Government, from Portugal to Denmark, and from Russia to England, would be placed in the eyes of the public in a very sorry light. The corrupt state of Egypt was the more natural and, in a sense, excusable as it was just then emerging from secular barbarism, and such evo-

lutions are naturally slow. As "The Times" itself had to acknowledge at a subsequent date, "these processes require time and must be watched with patience."[1] "Men," it added with a mischievous irony, "are in a most unreasonable hurry nowadays in their demands for perfection. They seem never to reflect on the slow generations that have passed away in building up the organisation of every European State, and that a hundred years in the life of a nation are a very little thing."

To this must be added the circumstance that at least a portion of the abuses and of the anarchy—and that, perhaps, not the least glaring—which had been discovered by the zealous Commissioners, was the result not merely of the plight in which the money-lenders had placed Egypt, but also of the European administration of the Controllers, which had bled the peasants to death, dislocated the entire administrative machinery, and fostered wholesale corruption by placing the Government officials in the dilemma of either starving with their families or gaining a precarious livelihood by blackmail and bribery. "The bad Government," wrote "The Times," in one of its moments of frankness,[2] "under which Egypt has of late been suffering, and the oppression practised on the fellaheen, are the chief part of the indictment under which Ismail Pasha has been condemned. It ought, however, to be remembered that he has not been wholly responsible for them. If money was to be found to pay the debts he had contracted—and that it should be found was part of the demand our own Government joined in making upon him—it was only by such means as he resorted to that the thing could be done at all. *Qui veut la fin, veut les moyens.* To order the payment of last year's May coupon was, in effect, to order that the Egyptian fellaheen should be treated as they had been treated."

To acknowledge all this and similar extenuating circumstances would, however, not have suited the Commissioners,

[1] "The Times," September 27, 1879. [2] *Ib.*, June 27, 1879.

who were there not to apologise for, but to indict Ismail's rule, and make out a case for placing Egypt under the administration of its creditors. Accordingly, their first and chief demand was that Ismail should renounce his autocratic power in favour not, as one might have thought, of the elected representatives of the nation, but of a Ministry, which though nominally placed under the head of an Egyptian, Nubar Pasha, should comprise as a Minister of Finance Sir Rivers Wilson. This was pompously termed, and is by Lord Cromer still being termed, "the introduction of Ministerial responsibility,"[1] the most grotesque description of the substitution of the bondholders' absolutism for that of the Khedive, that could have been invented.[2] It was, however, necessary to throw dust in the eyes of the European public, and so the term was caught up by the Press and turned into current coin.

Next came the financial reforms. Prominent amongst them was that the Khedive should hand over to the "State" not only his own personal estates, the Daira Sanieh, of 485,131 acres, but also those belonging to his family and aggregating over 431,000 acres, in exchange for a civil list. As the Paris Correspondent of "The Times," who was all along in the closest touch with Sir Rivers Wilson, quaintly put it before even the Report of the Commission had been published, "people wish to know whence his (Ismail's) immense private estates were derived, and it is clear that they can no longer be withheld from the legitimate claim of Egypt herself, for it is at

[1] "Modern Egypt," Vol. I, p. 57: "The whole machinery was in danger of collapsing. It was useless to elaborate any minor reforms on paper, until steps had been taken to remedy the main defect of the system. It was clearly necessary to place some check on the arbitrary power of the Khedive. The principle of ministerial responsibility had to be enforced."

[2] As the second of the conditions on which Nubar agreed to form a Ministry the Alexandria Correspondent of "The Times" (August 30, 1878), names "what he (Nubar) calls rather grotesquely a responsible Ministry (i.e. irresponsible to the Viceroy)."

the expense of the poor fellah that these estates have been acquired and are now maintained."[1] The Commission has now decided that they should revert to Egypt and to the "poor fellah," that is, to the money-lenders, past and prospective. For the idea was—and this was the second of the proposed "reforms"—that on the mortgage of these estates a new loan should be raised to pay off the newly accumulated floating debt of some seven million pounds. "It is very satisfactory," wrote "The Times," in strange forgetfulness of the poor fellah so recently mentioned by its own correspondent from Paris,[2] "it is very satisfactory for the creditors of the Egyptian Government that the revenues of the Daira are no longer to be kept separate from the general balance-sheet of the country."

These two financial reforms, together with the establishment of a "responsible" government, were all the Commission had to propose for the present. It had yet in preparation another report, in which it proposed to wipe out all the arrears of taxation till the end of 1875, on account of their being irrecoverable, as well as to abolish eight different kinds of minor taxes which "were more onerous to the tax-payer than lucrative to the Treasury."[3] But even with these two striking reforms, the entire upshot of the labours of the Commission amounted solely to a further addition to the securities held by the bondholders and to the transference of the administration of the country from the Khedive to a Ministry acting on behalf of European financial houses. Of any alleviation of the burden of the "poor fellah," on whose behalf so many bitter tears had been shed by the Commissioners during their inquiry, there was not a word. Neither was the interest on the debt reduced, nor was any attempt made to grapple with the unjust and oppressive taxation

[1] "The Times," August 8, 1878. [2] *Ib.*, August 26, 1878.

[3] "Rapport concernant le règlement provisoire de la situation financière," p. 66.

on which the Commission had dwelt in their report with so much eloquence and indignation. There were in Egypt at the time about 100,000 Europeans who did not pay a single penny in taxation, and who, under the screen of the Capitulations, were doing a roaring business in contraband to the great detriment of the Customs administration.[1] The Commission, however, found not a single suggestion to make for the removal of this public scandal. Nor did it find anything to say on the question of the multiplication of European officials who had begun to invade the Egyptian administration since the end of 1876, battening on the land and doing nothing. Between 1864 and 1870 only 160 Europeans had received appointments in the Egyptian service. Between 1871 and 1875, 201 such appointments were made. But in the single year of 1876 no fewer than 119 Europeans were imported into the civil service; in 1877, 76; and 1878, 131.[2] Subsequently things went in this respect still worse, but already at the time we are speaking of this wholesale importation of foreign officials had become almost a scandal. "The higher officials," wrote the Cairo Correspondent of "The Times,"[3] "are chiefly foreigners, and high salaries seem necessary to soothe their home yearnings and compensate for the pain of expatriation. International jealousies have thrust two or even three and four men where one is able to do the work. . . . Experiments in government have left costly functionaries on the hands of Egypt, who do nothing but draw their pay." "Satirical visitors," also wrote his Alexandria colleague,[4] "find amusement in counting the number of disestablished European officials, whose salaries count by thousands of pounds, while hundreds of native State servants cannot get their few pounds a month due for the last year or more for good service actually rendered." These complaints, it is true, date from a somewhat later period, when the European

[1] Egypt, No. 2 (1879), pp. 94 and 155. [2] *Ib.*, No. 4 (1882).
[3] "The Times," January 23, 1879. [4] *Ib.*, December 25, 1878.

Ministry had already been in power for four or five months. But even at the commencement of the labours of the Commission the "Times" correspondent already wrote: "Adverse criticism of the foreign officials who have come to set Egypt right is common just now. They draw high salaries, in all about £60,000 a year, and seem to do very little. We have rattled downhill as fast as ever, notwithstanding our English, and French, and Italian drivers."[1]

And yet the Commission, brought face to face with these facts, suggested absolutely nothing to remedy the state of affairs. An impoverished State, paying £60,000 per annum to a set of idlers, imported for the special purpose of providing them with soft berths, while the native officials, on whom the real administration of the country depended, were getting salaries "on a scale which encourages peculation, and even this wretched pay has now been withheld for many months"[2]—what an excellent cause for indignation and what a subject for reform! But the Commission discreetly passed this subject over in silence, declaring, in its second report, that "no sacrifice ought to be demanded from the creditors until all reasonable sacrifices have been made by the debtors."[3]

When this remarkable scheme of reforms was submitted to the Khedive, he was naturally astonished. He had been prepared for the demand for his estates, and himself, while the Commission was still sitting, offered to the State a portion of them, amounting to 200,000 acres.[4] He was, however, less prepared for the confiscation of the lands belonging to the various members of his family,

[1] "The Times," April 5, 1878. [2] *Ib.*, January 23, 1879.
[3] "Rapport concernant," etc., p. 12.
[4] "On this news," wrote the Alexandria Correspondent of "The Times" (June 10, 1878), "the Unified and Privileged Stock went up in quite bewildering fashion, and the Alexandria Bourse seemed intoxicated with delight. In ten days the Unified Stock went up fourteen points." Strange that history records nothing of the delight of the "poor fellah" on the receipt of this news.

and least of all, for the demand to abdicate his sovereign powers to an irresponsible Ministry led by foreigners. It is, however, astonishing how very little real resistance he offered to his enemies. Whether it was once more for fear of deposition in favour of Halim, or because he had become by that time heartily sick of the endless trouble is uncertain, but after a brief hesitation he accepted the scheme, and on August 28 issued a rescript charging Nubar Pasha with the formation of a Ministry, and pledging himself never to act in opposition to it.[1]

And here occurred the usual contretemps in the shape of a little game at cross-purposes between England and France. As mentioned before, Sir Rivers Wilson was designated as the Minister of Finance. The office of the Controllers-General was to be abolished, and their duties were to devolve on him alone. England seized the opportunity with both hands, and Sir Rivers Wilson received two years' leave to go out to Egypt. Immediately, however, France was up in arms. The attempt of England to grab the administration of Egypt all to herself was the height of impudence, and France must be given a seat in the Ministry, which would allow her a voice in Egyptian affairs as decisive as England herself would enjoy. England, caught like a schoolboy stealing apples, at once gave assurances that she had really meant no harm, and through Nubar Pasha offered the post of the Minister of Public Works to "a very respectable and upright Frenchman, but a man utterly unknown, without a marked speciality adapting him to the office, occupying a very modest post in the educational service, and who being on the eve of retiring, had a fortnight previously solicited from a member of the French Cabinet a very secondary position in the Department of Finance by way

[1] Egypt, No. 2 (1879), p. 288. On the news reaching London, Sir Stafford Northcote, the Chancellor of the Exchequer, at once telegraphed to Sir Rivers Wilson congratulating him in most flattering terms upon his signal success ("The Times," August 31, 1878.)

of substitute for his present employment."[1] This was an insult added to an injury, and inflamed the passion of France to such an extent that she threatened to boycott the whole arrangement with the Khedive, should England refuse to give her her due. In vain did "The Times" roar forth its theatrical thunders at these French "pretensions," and lament in advance the shipwreck which the sacred cause of Egyptian reform would suffer from these eternal "international jealousies"[2]—England had to submit, and M. Blignières was appointed Minister of Public Works with extended competence, embracing all the railways and the postal service, exclusive of that of Alexandria. And as if to fill the cup of humiliation Italy entered a claim for the portfolio of Justice, and Austria for that of Education. These claims, however, were compromised by an Italian receiving the post of Auditor-General, and an Austrian being appointed Assistant Minister of Finance.[3] In this way Europe came to reign over Egypt.

What that reign was can easily be imagined. When the news was announced that the Khedive had consented to form a European Ministry, the Alexandria Correspondent of "The Times" wrote: "A return for the present to the caprices of despotism is highly improbable. But if the floating liabilities are provided for, if the interest of the public debt is regularly paid . . . the European public will care very little about the good government of Egypt."[4] That put the whole position in a nutshell. Europe cared very little for the administration of Egypt so long as the bondholders obtained their satisfaction, and it was the sole concern of the Nubar-Wilson Ministry to see that this satisfaction was forthcoming. No doubt it was a very difficult problem. From the time of the conclusion of the Goschen-Joubert arrangement to the for-

[1] "The Times," Paris telegram, September 23, 1878.
[2] *Ib.*, October 15, 1878.
[3] *Ib.*, Paris telegram, October 14, 1878.
[4] September 16, 1878.

mation of the Nubar Ministry a sum of not less than £12,321,000 was extracted from the people of Egypt for the payment of the debt, besides the payments on the Daira Debt. The economic resources of the country were at their lowest ebb, and only with the help of the most extraordinary methods were the sums collected which were needed to meet the coupons. "It is almost incredible," wrote the Correspondent of "The Times,"[1] "and yet it is fact that with all our European Controllers at the time when the London papers were celebrating the salvation of Egypt (the formation of the Nubar-Wilson Ministry), the very peasants who were driven out of their homes by the recent floods, whose animals and implements, and houses were washed away, were prosecuted for their arrears of taxation." How, in these conditions, could the exploitation of the people still continue? Yet the new Ministry decided that it must continue if the interests of the bondholders were to be safeguarded. Before entering upon his new duties, Sir Rivers Wilson went to Paris to negotiate with Messrs. Rothschild for a loan of £8,500,000 on the security of the Dairas, and there it was agreed that no attempt should be made to reduce the interest on the debt, but, on the contrary, that every effort should be made to pay it at least till the end of the year, when the bondholders might be able to palm off a portion, at least, of their securities on the public.[2] As Sir George Campbell subsequently declared, "boldly and distinctly," in the House of Commons, this attempt "ostensibly to introduce good

[1] "The Times," December 5, 1878.

[2] Paris Correspondent of "The Times," March 12, 1879: "The great financial bodies which held enormous amounts of Egyptian stock and to which Mr. Rivers Wilson, on raising the last loan, seems to have pledged himself not to reduce the interest on the debt before the end of the year, have strongly insisted on the performance of this engagement, even if Egypt should pay the interest out of the capital of that loan." "It was certain," says Lord Cromer (Vol. I, p. 71), "that the Ministry of Nubar Pasha represented the cause of progress and civilisation."

government into Egypt was nothing less than a great stock-jobbing operation to raise the price of Egyptian bonds and enable those interested in those loans to unload them on the general public."[1] Sir Rivers Wilson kept faithfully to this undertaking. As the November coupon on the unified debt fell due, and there was more than a million and quarter wanting to complete the necessary sum, the latter was taken from the proceeds of the Rothschild loan which had been intended for paying off the floating debt, and the bondholders received the payment on their coupon in full. Another million was then taken for the mortgage debt, several hundred thousand were taken for the paying of the Tribute and other needs of the State, and within a short time the greater portion of the proceeds of that loan had been whittled away, leaving for the satisfaction of the floating debt-holders a sum of £2,300,000,[2] which, moreover, the Rothschilds refused to pay out unless the Daira estates, as a European mortgage, were freed from the land-tax.[3] Of course, no arrears of salaries were paid to the Government officials who continued to starve, and the private creditors of the State were left out in the cold.[4] At the same time the exaction of the taxes from the peasantry continued with unabated vigour. "It is stated by residents in the Delta," wrote the Correspondent of "The Times" from Alexandria at the beginning of 1879,[5] "that the third quarter of the year's taxation is now being collected, and the old methods of collection applied. This sounds strangely by the side of the news that people

[1] Hansard, "Parl. Debates," Vol. 244, 1879, p. 831.

[2] "The Times," letter from Alexandria, January 8, 1880.

[3] *Ib.*, March 20, 1880.

[4] A certain Keller, a private creditor, not being able to obtain satisfaction, seized the Treasury chest and would not give it up until his claims were paid. He was, however, forced to do so by the Tribunals, since his action, if upheld, would, as it was officially put, have "weakened the decrees which protect the bondholders!" Egypt, No. 2 (1879), p. 100.

[5] "The Times," March 31, 1879.

are dying by the roadside, that great tracts of country are uncultivated, because of the fiscal burdens, and that the farmers have sold their cattle, the women their finery, and that the usurers are filling the mortgage offices with their bonds and the courts with their suits of foreclosure." The position of the peasantry became so intolerable that even the meekest of them began to protest. "There are to-day," writes in January the same gentleman,[1] "literally hundreds of Sheikhs in Cairo, each representing a village, who have come with petitions for the reduction of taxation, and they one and all declare the present rates cannot be maintained. They blockade the gates of the Ministry, they await the Ministers at their coming out and going in, and their petitions strew the floors of offices."

It was evident that this state of things could not continue, and must end soon in great scandal. The occasion was soon supplied by the action of the Ministers themselves. One day in February they decided upon a new "reform" with a view to obtaining some money for the forthcoming April coupon, namely, to discharge 2500 officers in the army, of whom "not a man had received his pay for eighteen months, and many were in arrears for nearly double that period."[2] This had the effect of a lighted torch being thrown into a powder magazine. Civilian functionaries might be treated with impunity for a long time as persons of no account; so also a scattered and ignorant peasantry could be exploited for a long time without encountering active opposition. It was dangerous, however, to insult men who were themselves accustomed to command, who were, moreover, closely organised, well-armed, and occupied a prominent position in society. It shows to what lengths of folly and arrogance the European masters of Egypt were capable of proceeding that they should have decided—even against the better advice of a man like Mr. Vivian[3]—

[1] "The Times," January 23, 1879. [2] *Ib.*, March 3, 1879.
[3] See Cairo letter in "The Times," March 10, 1879.

on such a step as the wholesale dismissal of officers, and those in an overwhelming majority unpaid. On February 18, 1879, as Nubar Pasha and Sir Rivers Wilson were proceeding to their bureaus, they were surrounded by a crowd of officers, and in the presence of numerous spectators, dragged out of their carriages, taken to the Ministry of Finance, and there locked up, pending the decision of the entire body of officers. The Khedive, however, on being informed of the "outrage," immediately came down, released the prisoners, and ordered the officers to disperse. As the latter would not obey, Ismail ordered the guard to open fire on them, and at one moment, no doubt, his life was hanging in the balance. Ultimately, however, the officers dispersed, having received the promise that their grievances would be carefully looked into.[1]

This incident created a great sensation at the time, and no doubt it was an ominous portent of what was to come. It showed that however helpless the Egyptian people as a whole might be—and every peasant people, whose units live in isolation from one another, is practically helpless against either domestic or foreign despotism—there was the Egyptian army, or, perhaps, more correctly, the Egyptian officers, who were capable of offering resistance to the European aggressors, and would do so when brought to a state of despair. It was idle to regard the incident and the similar ones which followed as merely a military *émeute*. What the officers felt was largely shared by the entire people, which, however, was neither capable of clear articulation nor of initiative and concerted action. A rumour was also set afloat by the Paris Correspondent of "The Times," who, as mentioned, was in closest touch with the French bondholders, and an intimate friend of Nubar Pasha and Sir Rivers Wilson, that the *émeute* had really been engineered by the Khedive. He had this, he said, on the authority of a cipher telegram received from Cairo."[2] Sir Rivers Wilson

[1] Egypt, No. 5 (1879), p. 24. [2] "The Times," Feb. 21, 1879.

himself subsequently endorsed this version, and gave Mr. Blunt the particulars, which were published in the latter's book.[1] There is, however, little foundation for this version, except the words of Sir Rivers himself and that mysterious telegram of M. de Blowitz.[2] There is a mention to the contrary in the official report on the affair by Mr. Vivian, and a complete apology in the messages of the well-informed correspondents of "The Times."[3] On the contrary, all the contemporary evidence goes to show that the *émeute* was as much a surprise to Ismail as to the victims themselves, and that when he ordered the troops to fire on the officers he meant it in grim earnest. Probably the officers directly concerned in the affair did

[1] "Secret History of the British Occupation of Egypt," 2nd edition, pp. 45–7 and 615.

[2] Mr. Blunt (l.c., pp. 483 and 489) quotes, in support of Sir Rivers' account, the testimonies of Arabi Pasha and of Sheikh Mahommed Abdu; but Arabi, on his own evidence, was at the time of the riot away in the provinces, while the Sheikh merely confirms that Arabi's account was correct. Both were probably only repeating the rumours which were set afloat at a subsequent date and to which they readily attached credence out of hatred for Ismail. On the other hand, Lord Cromer, who cannot be accused of undue squeamishness in making charges against Ismail, himself admits that "any opinion of the degree to which Ismail Pasha was privy to the mutiny, must be little more than conjecture." All he dares to charge Ismail with is moral complicity ("Modern Egypt," Vol. I, p. 78–81).

[3] Lord Vivian wrote: "The Khedive's enemies say that he is certainly implicated in the whole plot, and that this is the real secret of his leniency to the mutineers. If this be true, he has indeed played a most dangerous card, which is not unlikely to cost him his throne, but his conduct and bearing on the first day of the riot go far to disprove the charge, while the real distress and misery caused by the summary dismissal of so many officers without any means of livelihood and with heavy arrears of pay due to them, undoubtedly justified their discontent" (Egypt, No. 5 (1879), p. 31). The Cairo Correspondent of "The Times" wrote as follows: "Notwithstanding an authoritative declaration last May that all arrears of salary ought to be paid, the claims of the army were wholly neglected, and the most dangerous element in the State was brought into an almost excusable condition of disaffection. It was in vain that Mr. Vivian . . . remonstrated against the dangerous folly of disbanding an unpaid army. The danger was doubted; the pay was not settled; the men and officers were sent away. Then came the riot of the 18th" ("The Times," March 10, 1879).

not act with premeditation, but on the spur of the moment, when they saw the two hated men approaching in their carriages.

However that may be, the immediate effect of the *émeute* was the fall of Nubar Pasha. Nubar Pasha was naturally more odious to the Khedive than even the Europeans, and on the day after the outrage Ismail declared that he would not be further responsible for tranquillity and order unless Nubar were to be removed from his post. After some discussion the point was yielded, Mr. Vivian informing the Khedive that "the resignation of Nubar Pasha had . . . only importance so far as the question of persons was concerned, but it could not imply a change of system."[1]

But some change of system there nevertheless was. When constituting the "responsible" Ministry, it was laid down that the Khedive should not interfere in the work of administration, and should not even attend the meetings of the Council. At the same time, however, it was demanded of him that he should "co-operate" with them. "What Her Majesty's Government desired," declared Mr. Vivian to Ismail,[2] "was that, instead of showing indifference, coldness, or even dislike to the new order of things, he should place all his knowledge, influence, and experience at the disposal of his Ministers, and loyally and cordially co-operate with them within the proper sphere of his prerogative." In other words, while having no voice in the management of affairs, Ismail, whose influence with his people was known to be great, was to screen by his name all the machinations of the European Ministers, and thus permit the bondholders to do their nefarious work with impunity, and throw the responsibility for its effects on Ismail. Naturally, the Khedive would not agree to such a pact. "If he rightly understood," he said,[3] "the first principles of constitutional government, it was that Ministers, and not the chief of

[1] Egypt, No. 5 (1879), p. 34. [2] *Ib.*, p. 3. [3] *Ib.*, p. 3.

the State, were made responsible." And so he stood aside, allowing his Ministers full scope, and making them, in a sense, really responsible to the public opinion of the country. The riot of February 18 showed the Ministers the mistake they had made in attempting to rule without the Khedive. "It was a great error," "The Times" Correspondent at Alexandria confessed soon after the incident,[1] "to attempt to govern without him (the Khedive). The Ministers treated him as a mere register of their decrees. . . . Instead of co-operation, they met with passive resistance, and things went wrong in every part of the administrative machinery." Accordingly, when reconstructing the Ministry after the fall of Nubar Pasha, both Mr. Vivian and Sir Rivers Wilson were prepared to allow Ismail some real share in the government of his country, provided the decisions of the European members of the Council remained, as heretofore, supreme. To this Ismail would not agree, and ultimately a compromise was struck by appointing Tewfik, the heir to the throne, quite a colourless youth, President of the Council, Ismail himself remaining outside. Thus reconstructed, the European Ministry resumed their work.

[1] "The Times," March 10, 1879.

CHAPTER VI

THE OVERTHROW OF THE EUROPEANS

WHILE the material results of the riot of February 18 were such as described in the preceding chapter, its moral effect was considerably greater. The truth of the remark of "The Times" Correspondent that Europe would care very little whether there was good government in Egypt or not, so long as the coupons were promptly paid, could only be valid on the condition that the Egyptian people accepted their lot with resignation. No sooner, however, did it demonstrate that it would only submit to foreign oppression up to a certain limit, than Europe discovered that it did matter to her whether Egypt was governed well or not, since on that depended her own peace. The riot showed Europe that it was dangerous to trifle with the well-being and sentiments of the Egyptian people, and it was clearly seen that a continuation of the bondholders' policy must, if slowly, nevertheless inevitably result in a disaster. Especially in England, where the public had not hitherto cared two straws about what was going on on the Nile under the sinister auspices of international finance, the riot of the officers acted like an eye-opener, and called forth in the ranks of those who had not been committed, through party-ties, by the action of the Government some vigorous protests. The Liberals of the period need not, on the strength of their conduct three years later, be charged with hypocrisy and political insincerity, because they stood up almost to a man against the further continuation of the ruthless exploitation of the Egyptian peasantry in the interests

of the bondholders. The fact that they were at the time in opposition, no doubt, contributed to the ardour of their protests, but with this important qualification, that their very freedom from governmental responsibilities allowed them to see the things without prejudice and give vent to their sentiments with an unrestrained frankness. It is quite on the cards that had the Conservative party then been in opposition, the protests would have come from their side, just as they did from the Liberal side, since the facts were really too eloquent to admit of being blinked. Even as it was, the party in power must have seen the things clearly enough, and were prevented from acting, as political honesty and political interest dictated, by the initial blunders which had been committed in their name by the Disraeli Cabinet.

There was everywhere a cry for the immediate reduction of the interest on the debt and the restoration of the power of the Khedive as the sole means of allaying the manifest discontent of the Egyptian people.[1] The Press was full of descriptions of the miserable condition of the fellaheen, and though the official reports asserted that most of the "rumours" were grossly exaggerated, people who had been there drew harrowing pictures of the starvation in the villages, and declared that the people there "were so many skeletons."[2] In the course of an impassionate speech in the House, Sir Julian Goldsmid, afterwards an advocate of the Occupation,[3] remarked that "the loans on which that gentleman (Sir Rivers Wilson) is endeavouring to pay 7 per cent interest, were not raised at par, and we are consequently assisting in the maintenance of an usurious rate of interest which the Government ought rather to use its influence to reduce, seeing that the condition of the fellaheen was miserable

[1] See, for instance, "The Times" leading article, March 26, 1879.

[2] Colonel Alexander in the House of Commons (Hansard, "Parl. Debates," Vol. 244, 1879, p. 838).

[3] Hansard, "Parl. Debates," Vol. 244, p. 841.

in the extreme." On his part, and dealing with the political aspect of the policy pursued by Sir Rivers Wilson and his colleagues, the Alexandria Correspondent of "The Times" wrote: "The Council of Ministers rules without the head of the State, who is excluded from the government of his own country. The administration is drifting more and more into the hands of Europeans, and the natives are shut out from all the high places. Yet Egypt, after all, belongs to the Egyptians, and their master whom they serve and fear is the Khedive."[1]

But not merely Europe—Egypt herself had her eyes opened by the daring action of the officers. It came, in an atmosphere charged with discontent, like an electric spark, and caused the accumulated dissatisfaction to burst out in a storm of demonstrations and meetings of Sheikhs, Notables, and Ulemas, at which resolutions were passed demanding the speedy cessation of the existing régime, and from which deputations were appointed to wait upon the Khedive, promising him support in his struggle with his European masters, and demanding for the nation a share in the government of the country.[2] It has subsequently come down in official history that this movement was engineered by Ismail himself in order to be able to represent his contemplated *coup d'état* as an act dictated by the force and pressure of national sentiment.[3] It is, however, remarkable that nothing of the kind was insinuated either by official or unofficial contemporaries during the first three months of 1879, when the movement was gradually gathering strength. The charge was first brought up by the new man who took the place of Mr. Vivian at Cairo, at the time when Ismail had already perceived his opportunity in mobilising against his enemies the national forces which had spontaneously

[1] "The Times," March 3, 1879.

[2] Egypt, No. 5 (1879), pp. 70 and 85. Also "The Times," letter from Alexandria, March 31, 1879.

[3] Lord Cromer, "Modern Egypt," Vol. I, pp. 85 and 86.

gathered around him. There is as much truth in the charge that he engineered the national movement as there is in that that he organised the riot of February 18. In either case he simply made use of accomplished facts, doing what everybody else would have done in his place.

Had, however, the European managers of Egyptian affairs possessed but a spark, we will not say of humanity, but of statesmanship, the national movement could have been directed into perfectly harmless channels and all danger threatening from it would have been avoided. For that it was necessary to do but one thing—to reduce the interest on the debt to a reasonable figure and to call upon the representatives of the nation to assist in the work of the financial and economic reorganisation of the country. That would at once have placed the interests of the creditors on a permanently safe basis, while it would have made for ever impossible a return to the arbitrary rule of the Khedive which was justly regarded as the fountain-head of all the trouble. But the European masters of Egypt did not mean to lend themselves to either course. The summoning of a Parliament was out of the question, as a constitutional Egypt would effectually and for ever put a stop to the political schemes which England and France still secretly entertained. On the other hand, the question of the reduction of the interest on the coupons was much discussed, and specially Mr. Vivian was in favour of this cardinal reform.[1] The International Commission of Inquiry itself which after the issue of the first report, still continued its sittings, perceived that sooner or later the reform would have to be effected, and even Sir Rivers Wilson was reported as having elaborated a scheme for the reduction of the interest on the debt to 5½ per cent until 1890 or to 5 per cent until 1886.[2] Neither from the discussions nor from the schemes emerged anything except a new and comprehensive project for the further reduction of the expenditure of the State and for new forms of taxation. First, the Civil List of the Khedive and his entire family was to be fixed at £300,000 per annum. Seeing that they had been deprived of all their immense property, including the last head of cattle and the last plough, the sum now given them in return did certainly not err on the side of liberality.[1] But that could pass. Much worse was the project for imposing a land-tax on the so-called Ouchoury lands. Those were lands, originally wastes, which had been distributed under the former Viceroys among their semi-feudal dependents on the condition that they improved them, in consideration of which no taxes were to be levied on them for all time. This arrangement may be considered wise or unwise, just or unjust, but it could certainly not be upset by a mere Khedivial decree, especially when that decree was to be dictated by foreigners, in the interest of foreign usurers, and in the name of the "sacredness" of the obligations undertaken by the State. It was certainly the height of impudence to propose that the Khedive should break his solemn word with his own people in order that he might keep it with the foreigner—and what a foreigner! At the time it was perfectly well recognised that it really meant a "confiscation of the rights of property"[2] by those who were never too loud in declaiming upon them when they happened to be theirs, and it was only subsequently that a different view was taken of the matter.

Closely connected with this "reform" was the projected repudiation of the obligations which followed from the Law of Moukabala. It will be remembered that by this

[1] "The Times," letter from Alexandria, March 31, 1879.
[2] Reuter's telegram in "The Times," March 10, 1879.

[1] With its characteristic hypocrisy the Commission of Inquiry, proposing this amount, added: "Surely, at the moment when fresh (?) sacrifices are being demanded of the creditors, His Highness will not ask that his Civil List should be fixed at too high a figure" ("Rapport concernant," etc., p. 11).
[2] The term is used by the Cairo Correspondent of "The Times," January 23, 1879.

law the landlords were granted a reduction of the land-tax by one-half for all time in return for the payment of a sixfold land-tax within a specified period. This reduction it was now proposed to withdraw. The plea was that of the £17,000,000 which figured in the Budget as the sum paid in by the landlords on the strength of that arrangement, nearly one-half never saw the inside of the Treasury cash-boxes, and that, moreover, the Khedive himself never intended to take his obligations seriously. It is quite impossible at present to verify these statements, emanating as they originally did from the International Commission of Inquiry. It is remarkable, however, that many years afterwards, when the Law of Moukabala was really abolished, Lord Edmund Fitzmaurice, the then Under-Secretary for Foreign Affairs, replying in the House to a question as to the reasons which had led Sir Rivers Wilson to conclude that a greater part of the £17,000,000 had never been paid in, innocently remarked that "there is no reason to suppose that any payments approaching that sum were really paid." [1] At the same time the Alexandria Correspondent of "The Times" was writing to his journal of the "enormous advances paid by the landowners," and entering a plea for their liberal compensation.[2]

Lastly, there was a project, whose ingenious author seems to have been M. Blignières, for introducing a system of exemption from *corvée* in consideration of the payment of a certain sum of money. The idea, afterwards realised

[1] Hansard, "Parl. Debates," Vol. 276, 1883, p. 1433.

[2] "The Times," January 21, 1880. Mr. Blunt (l.c., p. 44) says: "The project . . . of rescinding the Moukabala arrangement, which would have meant the confiscation of landed property representing something like fifteen millions, disturbed every landowner's mind, and led to the belief that even worse things might be expected of the English Minister than any they had suffered from his predecessors." Lord Cromer (l.c., p. 117 and following) makes light of the decision to repudiate the Moukabala obligations. We are curious to know whether he would have exhibited the same attitude in the case of a similar measure in this country.

under Lord Cromer's administration, of course, was to levy *corvée* upon the well-to-do classes, regardless of whether additional numbers of labourers were really wanted, and then let them off on the payment of the *rachat*. This was nothing more than a refined system of blackmail, and was highly characteristic of the methods by which the Ministry were hoping to attain their ends.[1]

It was to be expected that the news of these projected reforms would cause the utmost indignation among the well-to-do classes, who would thus for the first time have the identity of interests between them and the lower classes vividly brought home. Ismail understood that now was the time to strike the blow, if it was to be struck at all. There had been established in the days of Mehemet Ali, and in 1866 restored by Ismail himself,[2] a *Mejlis*, a Council of Sheikhs and Notables, which assembled from time to time—in the reign of Ismail only three times—to give their advice to the Khedive on matters of new taxation, and so forth. Though nominally elected by the population, these delegates were in reality the nominees of the Government, and possessed neither the powers nor the courage to act as representatives of the nation. This institution Ismail, acting in agreement with the Ulema and Notables, now decided to transform into a Parliament by extending its powers and increasing its membership, as well as by introducing what practically amounted to universal suffrage. As the *Mejlis* had been sitting in its third session during the last two months, nothing further was wanted to give effect to the projected transformation than a suitable declaration and an order for supplementary elections. But the Parliament was only intended to serve as a base of operations. The operations themselves were to consist in the substitution of a native

[1] See *infra*, p. 267.

[2] "Posterity," says Baron von Malortie, l.c., p. 123, after describing the reform, "will inscribe in golden letters the name of Ismail on the first charter granted to modern Egypt."

and responsible Cabinet in the place of the European Ministry, and in the issue of a new financial law to take the place of the Goschen-Joubert decree. The chief features of that law were the reduction of the interest on the unified debt from 7 to 6 per cent, the payment in cash of 55 per cent of the floating debt, the remainder to be paid off during the following two and a half years, and the fixed assignment of £4,000,000 annually for administrative purposes.[1]

This scheme was at the time, and has been since, the subject of much ridicule on the part of those whose interests it affected. It was suspected that the sudden fit of Constitutionalism with which Ismail had been seized was nothing further than a sly manœuvre to get rid of the European Ministry, and to restore, after some decent time had elapsed, the former arbitrary rule of the Khedive; while as to the financial law, it was regarded as so much humbug, intended for the momentary appeasement of the creditors, but quite impossible of realisation.[2]

We should be the last to impute to Monarchs, granting constitutions, genuine and sincere motives. They are invariably above such suspicions, and from the time of King John to our own there never has been a monarch who gave a constitution to his subjects otherwise than under compulsion and without the secret hope of one day taking it back. As "The Times" put it a few months later,[3] "how many European Princes born to exercise an unlimited power have been content to relinquish this position and to accept the modest functions of a Court Monarch? Many have promised to make a change; scarcely any has been found to execute it faithfully." What, however, usually happens in such cases is that, having brought to life a Parliament in order merely to extricate themselves from temporary difficulties, the

[1] 'The Times," letter from Alexandria, April 19, 1879.
[2] See Lord Cromer, l.c., pp. 105 and following.
[3] September 27, 1879.

Monarchs find themselves face to face with a Frankenstein which, after some vicissitudes and hard struggle, ultimately remains in the possession of the field. In the present case, there can scarcely be any doubt, it would have been precisely the same. Writing soon after the assembly of the new Chamber, the Alexandria Correspondent of "The Times" said:[1] "It is nominally a representative body, but the French system of official nomination obtains so completely that not only are official candidates always successful, but I can hear of no instance of their ever being opposed. However, every representative Government must have a beginning. Our own Parliament was not always as independent as it is to-day. The Egyptian Chamber already has its uses in the discussion of plans for improvement of the agricultural system and the extending of public works."[2]

Soon after, however, on the very eve of the *coup d'état*, the Cairo Correspondent of the same journal was in a position to report that the Chamber was already proving useful in other directions. "The chamber of deputies," he declared,[3] "is no longer to be despised. They have shown various signs of life and independence, and the last has not been the least. . . . Riaz Pasha, the Minister of Finance, went the other day formally to close the session. He made the representatives a polite and graceful speech as regards their services, while he intimated that their duties were fully and finally discharged. But he failed to play the part of Oliver Cromwell. The Assembly refused to dissolve, and found a spokesman in a notable, who declined to accept the valedictory compliments. On the contrary, he declared on behalf of the Parliament that they had as yet done nothing, and had much to do in the way of supervision of the Ministry, and that,

[1] "The Times," April 15, 1879.
[2] Compare MacCoan, "Egypt As It Is," p. 118, note: "They (the deputies) have grown to be more independent, and now form a useful factor in Egyptian home politics."
[3] "The Times," April 16, 1879.

therefore, they refused to separate. His colleagues supported him as unanimously as the Notables in the tennis-court at Versailles did Mirabeau on a famous occasion. The Egyptian Parliament consequently continues its sittings, and now contends that all Ministers, whether foreign or native, should be dependent on its will and responsible to it for their conduct of affairs. They propose, in fact, to convert the present sham of responsible government into a reality."

It will thus be seen that the Egyptian Parliament created by Ismail was, after all, not such a ridiculous affair as it has been represented. "The Times" itself, writing after the *coup d'état*, remarks in the course of a leading article,[1] "It is probable many of the members are creatures of the Khedive; but however a body of delegates may be elected, they are apt to acquire some independence when they act together, and the Egyptian Assembly seems to have been no exception to the rule." As a matter of fact, it is nothing but a travesty of history to represent, as official historians do, the Notables and Ulema and other sections of the upper classes of Egypt at that period as mere tools in the hands of Ismail, ready to obey his dictates and devoid of all independence of character or thought. Though naturally ready to follow and support him in any action he might undertake for the overthrow of the European domination, they at the same time hated him as the primary cause of the people's ruin, and, after the *coup d'état*, even contemplated his deposition.[2] To what extent he really was unpopular can be seen from the fact that when he was deposed and left the country, scarcely a voice was raised on his behalf, and many secretly rejoiced. It would thus seem clear that whatever danger there was of Ismail making use of

[1] "The Times," *ib.*, leading article.
[2] Arabi Pasha confessed to Mr. Blunt that it had been his intention to depose and even to kill Ismail as far back as February, 1879 ("Secret History," etc., p. 483).

the new Parliament for his own purposes would easily have been averted by Europe placing herself on the side of the national representatives, and using her influence for the furtherance of real constitutional and parliamentary government. That, however, never entered her calculations, because nothing really was so far from her thoughts as the welfare of the Egyptian people.

With somewhat less certainty can one speak of the financial scheme of Ismail. The obligations which he was prepared to take upon himself were still, in spite of the proposed reduction of the interest, probably excessive, and though there were still over two millions in the hands of Messrs. Rothschild available for the payment of a portion of the floating debt, it seemed, nevertheless, incredible that he would be able to satisfy its holders to the extent of 55 per cent. At the same time we know that twelve months later the bondholders and the European Powers themselves reduced the interest by 1 per cent, and found it possible to obtain it. We also know, as regards the floating debt, that a sum of not less than £300,000 in cash was subscribed by the richer landowners and offered to Ismail,[1] and that numbers of them even expressed their willingness to mortgage their properties for the purposes of a new loan.[2] Probably with some effort Ismail's scheme would have been carried through, provided the supervision of the operation belonged not to the Khedive, but to Parliament. One has every reason to suppose that once they had made such sacrifices in order to free the country from the incubus of foreign masters, the upper classes would not have allowed the Khedive to revert to his old régime, but would have kept him well in hand, and seen that the obligations undertaken by the country were carried out. But that was exactly a condition which Europe repudiated in advance. A Parliament was declared to be impossible and the

[1] "The Times," letter from Alexandria, May 27, 1879.
[2] *Ib.*, April 16, 1879.

financial scheme to be Utopian, and the two projects were rejected with scorn.

Here it is fitting to mention in honour a man who, without being in the least inclined to sacrifice the interests of European financiers, was, nevertheless, far-seeing and upright enough to perceive that the policy of Sir Rivers Wilson was bound to lead to a disaster and even to a revolution. We mean the British Consul-General, Mr. Vivian. As a servant of his Government, he frequently had occasion to act and to speak as the harshest usurer and the most uncompromising opponent of the Egyptian Government. Nevertheless, even in that capacity he would often accompany his official reports by warning the home authorities against over-straining the bow, and hinting at the unbearable position of the Egyptian Government. As far back as April, 1878, he protested against the methods with which the taxes were collected from the poor peasants for the payment of the coupon, and more than once he insisted on the necessity to suspend payment and reduce the interest on the debt.[1] For these reasons he was highly unsympathetic to Sir Rivers Wilson and his colleagues, who regarded him as too meddlesome and too quixotic.[2] He was also bitterly opposed to the idea entertained by the European Ministers that they could govern Egypt while reducing Ismail to a cipher, and had invariably insisted that the Khedive must be given a hand in the government and not excluded from the Cabinet. The latest scheme of Sir Rivers Wilson was still less to his taste, and many an angry word seems to have passed between them on the subject of the proposed infraction of the landowners' rights and the obstinate refusal to reduce the interest. It is impossible to say what messages may have passed

[1] "The Times," letter from Alexandria, March 31, 1879.

[2] It is Mr. Vivian whom Lord Cromer has in mind when he speaks of "meddling Consuls-General," lecturing on the subject of the oppression of the fellaheen in the interests of the bondholders ("Modern Egypt," Vol. I, p. 84).

between Mr. Vivian and Sir Rivers Wilson, on the one hand, and the home Government on the other. Suffice it to say that the latter sided with Sir Rivers Wilson, and on April 20, 1879, Mr. Vivian was recalled.[1] His place was taken by Mr. (afterwards Sir) Frank Lascelles, who was as ready to serve the bondholders as Sir Rivers Wilson himself.[2]

It was in these circumstances when the British Government, by recalling Mr. Vivian, had given fresh proof of its intention to back Sir Rivers Wilson and his sinister designs against all-comers, that this great financier suddenly conceived the idea of declaring the Egyptian State insolvent, and of postponing the payment of the April coupon for a month. Here was the Saviour of society who had come to bring order into the Egyptian finances, who had robbed right and left, both the fellah and the Khedive and his family, who had piled up a new debt without either diminishing the old burden or reducing a single item of taxation,[3] who had been prying into all

[1] The letter of Sir Rivers Wilson to Mr. Blunt ("Secret History," p. 48), in which he describes the causes of his overthrow, is very instructive. "Crepy Vivian," he says, "is the cause and chief abettor of this sudden overthrow of arrangement which he was instructed specially to protect. Partly from jealousy, and a good deal from want of intelligence, with addition of a good deal of vanity, he went at once into the Khedive's camp." Compare also Hansard, "Parl. Debates," Vol. 244, 1879, pp. 523 and 1161.

[2] Lord Cromer, l.c., p. 96, reminds us that Sir Frank Lascelles was instructed "to give his cordial support to Sir Rivers Wilson in his dealings with the Khedive." In another connexion Lord Cromer, after expatiating on the nature of the then French policy, which was "strongly in the interests of the foreign creditors," tells us that "the British Government leant to the cause of the Egyptian peasantry" (p. 94).

[3] Mr. Blunt (l.c., p. 44) quite truly says: "The nine millions advanced by the Rothschilds went mostly in paying the more urgently immediate calls, and not a tax was reduced or a demand remitted. On the contrary, the régime of the whip went on, even more mercilessly than before, in the villages, and an additional terror was introduced into the agrarian situation by the institution . . . of a new revenue survey . . . which was interpreted as the prelude to a still enhanced land-tax."

The Swedish Consul at Cairo made at the time a highly interest-

the details of the administration and exposing the incompetency of the native rule—here was he, after managing the country for two years, and using up all her resources, declaring that Egypt could not meet her obligations and must go into the bankruptcy court! What a *testimonium paupertatis!* What a provocation to the Egyptian people who had been handled like so many sheep and treated with the utmost contempt and insolence! No wonder that when the news of this fatal admission of incapacity on the part of the European Finance Minister spread, the indignation in Egypt reached the boiling-point. Was that the result of the European management of the Egyptian State? Is that the object for which the people had been bled? And the prospects? Why, nothing but a further increase of taxation and a further tightening of the European grip. Immediately a national Memorial was drawn up, demanding the dismissal of the insolent

ing report to his Government on the situation, in the course of which he said: "The manner which has been adopted hitherto to regulate the financial question resembles rather that in which one has to proceed with a private debtor. . . . Without examining the question, whether the debts of Egypt have been contracted for the benefit of the country, or whether those among the creditors who lent their money at usurious interest or realised enormous benefits at the expense of the country deserve much sympathy, it is nevertheless the duty of Egypt to keep her engagements. But there is a great distance from this to the pretension that the natives or the country ought to be completely ruined in order to satisfy the creditors. It is difficult to consider the inhabitants as so identical with their Government, that the fellaheen must be crushed by taxation and that the creditors must have the right to sell up the fellaheen and their lands in order to obtain satisfaction. Egypt is now like a big estate which is under the administration of the creditors, but with this great difference, that whereas the creditors generally understand the necessity of developing the resources of the estate, in order to obtain their money, here one thinks of nothing but of encashing, forgetting that it is impossible in the long run to harvest where one has not sown. . . . On the pretext that the loans have to be paid first and foremost, we see the judgments against the Government remaining inexecuted, the officials being sunk in misery, not having been paid for a great number of months, all productive and useful work stopped, and all administration suspended" (Egypt, No. 2 (1879), pp. 179, 186, and following). Such was the judgment of foreign observers!

foreigner, and was submitted to the Khedive. It was signed by 70 Ulema, including the Sheikh-ul-Islam, by the Coptic Patriarch, and the Jewish Grand Rabbi, in the name of their respective communities, by 60 Pashas, 60 Beys, 40 Notables, and a large number of army officers.[1] With this document in hand, Ismail, on April 7, assembled the representatives of the Foreign Powers, and announced to them his intention to form a native Ministry, and to enact a new financial law. At the same time letters were sent to the European Ministers informing them of the resignation of Tewfik Pasha and the decision of the Khedive to dispense with their services, and a formal rescript was issued to Sherif Pasha, a man well known for his constitutional views, charging him with the formation of a new Ministry. The previous Cabinet, the Rescript stated, "have aroused among the people discontent and agitation, which have extended to all classes of our society hitherto so tranquil," and their financial plan, "which declares the country in a state of brankuptcy, which suppresses laws that the country considers sacred, which attacks acquired rights, has ended by rousing the national sentiment against them."[2] The new Cabinet, concluded the Rescript, must be "really responsible to a Chamber whose mode of election and rights will be so regulated as to respond to the exigencies of the situation and to the national aspirations."

This was the famous *coup d'état*—a strange term[3] to denote an act supported by the nation and having for its aim the substitution of a native and parliamentary Ministry in the place of a foreign camarilla. Subsequent historians have devoted many pages to the noble task of misrepresenting its true import, in order to justify the action of Europe in retaliating upon it by a genuine *coup d'état;* we shall, however, see that contemporaries judged differently.

[1] "The Times," letter from Alexandria, April 19, 1879.
[2] *Ib.*, April 23, 1879. [3] See Lord Cromer, l.c., ch. vi.

CHAPTER VII

THE COUP D'ÉTAT

THE events which occupy the space of three months between the dismissal of the European Ministry and the deposition of Ismail form, perhaps, the most instructive pages in the history of Egypt previous to her occupation by the English. Unfortunately, they have never been told in full, and many important documents are lacking to this day, rendering the task of an impartial narrator exceedingly difficult.

What lends piquancy to this period is the renewed game of cross-purposes between England and France which invariably occurred whenever the Egyptian affairs landed in a crisis. It was to be expected that the "high-handed" action of Ismail should send a "thrill of horror" throughout Europe. Here was everything going on to the satisfaction of international finance—an European Ministry looking after the coupons, an International Commission elaborating a new scheme of spoliation, and the political rivalry between England and France seemingly at an end. And all of a sudden this irresponsible action of the Khedive! The first effect was an outburst of anger. It was quite true that, according to the reiterated Ministerial declarations in Parliament, Ismail had a perfect right to dismiss his European servants whenever he thought fit;[1] but that he should avail himself of this right and do as he had done, seemed the

[1] "When Mr. Wilson went out," declared the Chancellor of the Exchequer, "he went out as the Minister of the Khedive, who had the right to dismiss him from his post whenever he thought fit" (Hansard, "Parl. Debates," Vol. 244, 1879, p. 851).

height of audacity. Immediately a sort of general strike was declared by the higher European officials at Cairo. When the European Ministry was appointed, it had been agreed that the office of the Controllers-General should be suspended, and both Mr. Romaine and his French colleague received, in spite of the starved state of the Treasury, a solacium in the shape of £4000 a-piece.[1] Now, after the formation of a native Ministry, Ismail himself took the initiative and invited Sir Evelyn Baring and the French member of the Caisse to undertake the duties of Controllers. The answer, however, was a point-blank refusal. This example was followed by other European members of the State service, so that, in the end, only the Caisse remained at its post.[2] But the Caisse, too, found opportunity to show its displeasure. When Sherif Pasha intimated his intention to pay the forthcoming May coupon at the reduced rate of 5 per cent, the Caisse declared that it would not accept the payment, that the coupon must be paid in full, that also all the arrears on the sinking fund since November last (suspended though the latter had been by Sir Rivers Wilson himself) must be paid, as well as the April coupon on the loan of 1864 (also left unpaid by the previous Ministry).[3] These actions, needless to say, were fully approved by the British and French Governments, the former of which addressed the Khedive a remonstrance, demanding the reinstatement of European Ministers, and threatening, in case of refusal, to take "action in defending their interests in Egypt, and in seeking the arrangements best calculated to secure the good government and prosperity of the country."[4]

Here, however, all the threats and protests stopped. Not only did England take no action, when Ismail de-

[1] Egypt, No. 5 (1879), p. 17.
[2] Lord Cromer, "Modern Egypt," Vol. I, p. 103.
[3] "The Times," letter from Alexandria, May 5, 1879.
[4] Egypt, No. 5 (1879), p. 159.

clined in so many words to reinstate the European Ministry, but she actually agreed to the nomination of Controllers, though France would not even listen to such a humiliation. What France wanted was the immediate deposition of Ismail and the joint occupation of the country. But that was exactly what the far-seeing portion of the public in England would not have at any price. With a singular vehemence it raised its voice against the further interference in the affairs of Egypt, demanding that the Khedive should be left alone with his national Ministry to work out the country's salvation. "The Government," wrote our friend "The Times," with a remarkable directness,[1] "would be guilty of a grievous blunder if they were to create a new responsibility for England like that which has been terminated by the recall of Mr. Rivers Wilson to his place in the National Debt Office. No desire to avoid parting company with France should draw us into this error by way of joint notes or otherwise. . . . The country has no inclination to insist upon high-handed measures against the Khedive. It is clearly recognised that the question, in its present phase, is purely a bondholders' question, and that no political interest whatever in which England has any concern, has been jeopardised by the Khedive's change of Ministers. . . . Until it can be shown that the true interests of this country are imperilled, the duty of the Government is to decline all responsibility, whether in conjunction with France or alone, for the financial administration of Egypt. The acceptance of that burden is advocated only by those who think it the business of England, in the midst of all her multifarious duties and tasks, to undertake the collection of interest for the creditors of the Khedive." This was a striking pronouncement, almost cynical in its frankness, on the part of a journal which represented in the first instance the City interests. It returns, however, to the same subject over and over again, pouring ridicule on

[1] April 28, 1879.

the pretensions of the bondholders, exposing the true inwardness of the constant interference of Europe in the affairs of Egypt, and defending the Khedive and the Egyptian national movement against the disingenuous attacks of their opponents. In the course of a leading article dealing with the so-called moral rights of the bondholders, it stoutly denies that the Khedive's conduct "has brought about a collapse of government and social order in Egypt," and remarks: "The truth is that the Khedive's unpardonable offence in the sight of those who cry out for his overthrow is not his oppression of the fellaheen, but his actual or threatened breach of faith with his creditors."[1] The phrase concerning the fellaheen was due to the fact that with a view to counteracting the effect that might be produced on the public mind by the successful carrying out of the financial law consular reports began, at a hint from the bondholders, to pour in, describing in darkest colours the cruel methods employed by the new régime in the collection of taxes,[2] as if that were a thing unknown hitherto, and only intro-

[1] "The Times," April 18, 1879.

[2] Mr. Lascelles expatiated on "the misery produced by the severity of the Egyptian Government in collecting the revenue," and Lord Salisbury asserted that Ismail 'had only used the interval in renewing the extortion and the cruelty by which his Treasury had formerly been filled" (Egypt, No. 5 (1879), p. 162, and No. 3 (1879), p. 10); see also the batch of reports by the consular agents, Egypt, No. 1 (1880), pp. 19–30. Some of these agents did not evidently quite understand their instructions, and reported very favourably. Two of them, for instance, native Egyptians, reported from Upper Egypt that the condition of the peasantry was "flourishing." To this the Cairo Vice-Consul, Mr. Borg, appended the sapient remark: "Our consular agents in Upper Egypt unhappily are both illiterate, and being entirely at the mercy of the scribes, their reports, I think, should be received with caution." Which meant, if anything, that if they had been able to read their instructions, their reports would have been different. Another agent reported that in the recovery of taxes both rich and poor were treated pretty much alike. Again Mr. Borg darkly hints that "information which I have received from other sources tends to show that the rich, as a rule, are treated with partiality." These reports are a real comedy.

duced since the dismissal of the Europeans.[1] We shall have yet occasion to note the application of this ingenious method of agitation in a variety of other circumstances; it will be seen, however, that in the present case it lamentably failed in its end. "For the present," wrote "The Times," ridiculing once more the pretensions of the bondholding tribe,[2] "the creditors of Egypt appear to be almost solely interested in the change. It is true that the misdeeds of Ismail Pasha are put forward as a justification; but those who are busiest in decrying the Khedive and demanding his exile held only a few weeks ago very different language. They now call for intervention on high humanitarian grounds. They wish, they say, to rescue the country from the cruel prodigality of its ruler. It is not long since the same persons, in their zeal for the interest of the creditors of Egypt, scouted the idea that the fellah is oppressed, that the *corvée* to which he is subject is oppressive, and that the country is overburdened with debt. The pity which is now lavished on the Khedive's subjects is too sudden in its growth to be above suspicion."

These frank utterances supply an excellent commentary upon the legends which have subsequently been spun by zealous historians. At the same time it would be a grave mistake to consider them as arising from a genuine desire to see Egypt working out her own salvation, and to contrast them with the aggressive policy advocated at the same time in France, apparently in the interests of the French financial houses. The real position was, if anything, rather the reverse. France, so long as England stood in her way, had no longer any hope of ever becoming the mistress of Egypt. The utmost she could hope for was that she might prevent England from acquiring that

[1] Lord Cromer says: "All the abuses of the old régime returned immediately the new Ministry (of Sherif Pasha) came into power" ("Modern Egypt," Vol. I, p. 126).
[2] "The Times," June 24, 1879.

position, and it was for that reason that she always proposed joint action or a joint occupation, or, failing that, the occupation of Egypt by the Sultan. To the uninitiated public this policy looked like sheer aggression; in reality, however, it was dictated by the very shrewd calculation that once the two powers were associated in the administration of the country, or the latter was occupied by the Sultan, the danger of Egypt falling into the hands of England would be practically gone. But it was just on that very account that those in England who entertained the political ambition of seeing the British flag waving over the Nile were invariably opposed to the idea of acting in concert with France for the purpose of coercing the Khedive. They saw quite plainly that by associating their policy with that of France they would with their own hands destroy the chances of ever obtaining the mastery of Egypt, and rather than do that, they were perfectly willing to leave Egypt alone. Egypt, at any rate, would not be then in the hands of her rival, while a situation might still arise which would throw Egypt into England's lap. Of course, hitherto the actual developments had gone against them, owing to the clamour of the bondholders, which proved irresistible in the councils of the Government. But now was the opportunity for correcting the mistake. The European Ministers had been sent about their business, Egypt had decided to go her own way—why not stop here and withdraw from the dangerous alliance with France? That is what "The Times," expressing, no doubt, the opinions of the best-informed political quarters, was demanding. Down with the bondholders! England, owing to them, had blundered into a suicidal policy—now is the time to strike out a new line.

This, then, is what lay at the bottom of the seemingly anti-aggressive policy which was advocated in England, and, indeed, acted upon by the Government during the first couple of months after the overthrow of the

European Ministry. The English Press became full of denunciations of the bondholders and the rule they had carried on through their agents during the three preceding years, and *per contra*, every argument was used to prove that the Khedive and his new Government would be able to manage the affairs of Egypt very well. There was at that time no such sneering at the young National movement as became the fashion subsequently. "The Khedive," was the opinion of the Alexandria Correspondent of "The Times," [1] "though master in his own house, has now to take account of a so-called national party whose influence on their ruler is reported sometimes to verge on dictation. The army, the Pashas, the Ulemas, are united in the common object of proving that Egypt can govern herself, and the Parliament, recently increased to the number of 100, has shown signs of vitality that promise a parliamentary future." The Cairo Correspondent of the same journal does not hesitate to report with evident signs of approval an interview which he has had with the Khedive, who, after describing the grievances which he and the Egyptian people had against the previous rule of the bondholders, concluded his remarks with the following striking and almost prophetic words: "You may rule Egypt through Viceroy A or Viceroy B peaceably, easily, with the aid of the national feeling. Against that feeling I do not say you may not rule Egypt either through Viceroy A or Viceroy B, but you must do it then by the strong hand of force, of violence, of oppression." [2] These words were widely quoted and commended to the attention of the French, and no doubt they are as true now as they were thirty years ago.

[1] "The Times," May 19, 1879.
[2] "The Times," April 28, 1879. Compare also the same Correspondent's letter to his journal, August 30, 1879. In another letter, published in "The Times," April 16, 1879, the Cairo Correspondent describes the consolidation of the constitutional elements into a National party, whose watchword was "Egypt for the Egyptians."

It is quite possible, then, considering the circumstances, that Egypt, after the dismissal of the European Ministry at the beginning of April, might really have been left alone. France knew well that she could not alone, against the wishes of England, take coercive measures against Ismail, and perhaps, in the face of her recent experience in Mexico, of which the English Press was unkind enough to remind her,[1] she had no particular wish to make the attempt. Her suggestion of bringing in the Sultan also met with decided opposition on the part of British public opinion, which after long years of insistence on the sovereign rights of the Sultan in Egypt, became suddenly squeamish about his being called in to settle the Egyptian difficulty. "The suggestion," wrote "The Times," [2] "of inviting the Sultan's interference in Egypt must have sprung from some poor creature whose sole thought was to keep up the quotation for to-morrow." But it knew all the same that it was not merely a question of "quotations," and on another occasion it declared straight away that the intervention of the Sultan "is not in the interest of the Western Powers, it is, above all, not for the interest of England." [3]

The situation was saved for France by the sudden intervention of Germany. How this came about we have some hint in the testimony of Sir Rivers Wilson, who told Mr. Blunt how on returning from Egypt he went at once to the Paris Rothschilds and succeeded in alarming them and inducing them to apply to Bismarck to avenge their wrong.[4] Sir Rivers Wilson, however, did not tell Mr. Blunt of the means which the Rothschilds had used by way of influencing the German Chancellor. These were very interesting. It will be remembered that a sum of over two millions were still owing from the

[1] See the leading article in "The Times," April 10, 1879.
[2] April 14, 1879.
[3] "The Times," April 18, 1879.
[4] "The Secret History of the British Occupation of Egypt," pp. 65 and 68.

Rothschilds on account of the loan raised by Sir Rivers Wilson ostensibly with the object of paying off the creditors of the floating debt. We say ostensibly, because not a penny had been expended by the European Ministry in that direction, and the problem of satisfying this class of creditors was left to the new national Government. But when Sherif Pasha now applied to the Rothschilds for the balance due from them, they flatly refused, on the plea that prior mortgages had been effected by the Wilson Ministry on the lands which they were supposed to receive free from encumbrance.[1] This was, however, nothing but a pretext. The Rothschilds knew very well that the money demanded by Sherif Pasha was needed to pay off the very creditors whose mortgages stood in the way, but they shrewdly calculated—probably not without the assistance of Sir Rivers Wilson—that if they refused the loan, these creditors would not be paid, and as most of them belonged to the German and Austrian nationality, their respective Governments would not fail to intervene. This was the means by which Bismarck was induced to make his appearance on the scene—an appearance the more welcome to him as he knew that it would lead to complications which might set England and France by the ears. Accordingly, on May 18 a strong protest was presented to Ismail on behalf of the German and Austrian Governments against the manner in which the Egyptian Government had proposed to deal with the holders of the floating debt and the delay in satisfying their claims, while at the same time a note informed the Governments of England and of France that Germany's "intention is solely to defend the financial interests of her subjects, leaving the political question to England and France."[2] Both Governments were completely taken by surprise, which was the more unpleasant as

[1] See the letter of the Alexandria Correspondent of "The Times." June 12, 1879.

[2] "The Times," letter from Alexandria, June 19, 1879.

the demand for the full payment of the holders of the floating debt never entered into the calculations of the English and French bondholders who were anxious to reserve the whole pie to themselves. "The Times" Correspondent immediately pointed out that the International Commission of Inquiry itself had found that the full satisfaction of the floating creditors would be impossible,[1] and the Government itself raised its voice against the German scheme, "as that would be prejudicial to the other creditors."[2] It is impossible, in view of the intentional gap left in the official papers dealing with the crisis and subsequently laid on the table of the House,[3] to trace the course of the negotiations which took place between England and Germany at that particular juncture. We have it from another source[4] that on being driven to the wall by Bismarck's protest, Sherif Pasha, on June 15, sent out a circular to the Powers, informing them that the financial decree had been withdrawn, that the holders of the floating debt would be paid in full, and that the question of interest on the unified debt would be left to the Powers themselves to settle. The concession, however, was of no avail.[5] Three days later Mr. Lascelles was instructed by Lord Salisbury to propose to the Khedive to abdicate in favour of his son Tewfik, failing which "it may be the duty of the Western Powers to submit these considerations (namely, that "the

[1] "The Times," *ib.*

[2] Reuter's telegram from Cairo, "The Times," June 12, 1879.

[3] See Egypt, No. 3 (1879). The gap in question is between May 30 and June 18. Throughout these critical months the Government obstinately refused to give information on current negotiations, preferring to confront Parliament with accomplished facts. On its part the Liberal Opposition never thought of moving the adjournment of the House.

[4] Reuter's telegram in "The Times," June 16, 1879.

[5] "The Powers," wrote the Paris Correspondent of "The Times," June 20, 1879, "accepted Ismail's submission on this point, but intimated to him that retraction was no remedy for the maladministration of the country, for the squandering of the public resources, or for the executions of the fellahs."

absolute power of the Khedive was the chief source of public disorder") to the Sultan, to whose Firman the Khedive owes his power."[1] As Ismail still hesitated, the Sultan was prevailed upon on June 26 to send a telegram to him announcing his deposition, and on the same day Ismail, feeling that all further resistance would be useless, formally resigned his power into the hands of his son in the presence of the highest dignitaries of the State. Four days later he took leave of his people and left Cairo to go into exile for the rest of his days. He died in Constantinople on March 8, 1895, and his remains were brought to Alexandria a week later, on an evening chosen by the managers of the Opera House at Cairo for the production of "Aïda"—that same opera with which Ismail at the opening of the Suez Canal delighted the crowned heads and the highest aristocracy of Europe. Whether or not this was a mere coincidence or a demonstration of power and insolence by the Occupation, it was a fitting symbol, not so much of the passing glory of the world, as of the knavery and baseness of European diplomacy.[2]

It is impossible even for one, who, like the present writer, attaches but a limited importance to individual characters in history, to take leave of this man without feeling something like a sympathy for him. He was certainly not an ideal ruler—few, indeed, are; perhaps he was a shade worse than others. One thing, however, stands out clear amidst the incidents of his career: but for his lack of decision at the time of his first bankruptcy he might have preserved not only his throne, and not only his name (which it became necessary to blacken in

[1] Egypt, No. 3 (1879), p. 9.

[2] It is interesting, in the light of the above, to record that on August 9, 1910, a certain Mohamed Wahid Bey was sentenced by the Egyptian Courts to two months' imprisonment for having written an article protesting against the idea of erecting a statue to Ismail Pasha. So sacred has become to the Occupation the memory of the Khedive whom it had once insulted!

order to justify the successive acts of aggression against him), but also the independence of his country.[1] At the same time one cannot condemn him for that initial and fatal error. For one thing, he personally paid dearly for it. For another, if condemnation were to be his lot, what should be that of the financiers and usurers who enveloped him in their meshes, and of the Governments who assisted them in catching him alive, as it were? "The influence of the bondholders," wrote Sir Julian Goldsmid a few months after the deposition of Ismail,[2] "has shown itself on many occasions. One commission after another has inquired into the financial affairs of Egypt. Able reports have been published. Explanations have been given how this and that coupon might be met. But the one real result has ever been that the burdens of the people have not been lightened, but, on the contrary, have been largely augmented, while the indebtedness of the country has grown with giant strides. Mr. R. Wilson added to it. . . . Let the creditors of Egypt remember that if, instead of trying to pay the extravagant interest on a debt they themselves encouraged him to accumulate, the late Khedive had followed the example of his suzerain and repudiated when the Sultan repudiated, Ismail Pasha would have still sat on the throne of Egypt, and the people certainly would have been in a far happier condition." Thus did impartial contemporaries judge of

[1] "One word in justice," wrote once "The Times" (February 2, 1878), "to Egypt and her finance. Adverse critics must not forget certain facts. An exhausting war has told heavily on the resources of Egypt; the low price of cotton has diminished her tax-paying power . . .; a disastrous cattle plague has been an exceptional drain on her resources, and a very low Nile has already had an impoverishing effect. With all these causes of poverty, the Viceroy, nevertheless, stood loyally to his engagements . . . although the war in Turkey presented a golden opportunity to every Ottoman vassal of pleading Imperial duties as an excuse for non-payment of European creditors." Compare the verdict of Lord Cromer, l.c., p. 144: "He fell a victim to ὕβρις, the insolent abuse of power," and so forth.

[2] "The Times," August 23, 1879.

the rights and wrongs of the case as between Ismail and his creditors—a judgment the more valuable as subsequently the very men who pronounced it found themselves on the side of the advocates of the Occupation. "The Times" itself, when the outrage of June 26 was defended in the House by Sir Stafford Northcote, the then Chancellor of the Exchequer, on the ground that it was necessary, "not for the sake of the bondholders, but to save the country from anarchy"—"The Times" itself, we say, which has since, of course, formed other opinions on the matter, wrote sarcastically:[1] "We have never seen the least proof that anarchy was impending, even if the Egyptian bondholders had been treated like the public creditors of Greece, Turkey, Spain, and many South American republics." "When we ask," it remarked on another occasion,[2] "why and how this (the outrage of June 26) has come about, we can see only one answer. It is a tribute to the immense and increasing power of money." These utterances may well serve as a commentary on the *coup d'état* performed by the great Powers in deposing Ismail and sending him into exile.

The two months which followed were again marked by considerable indecision in the councils both of England and of France. The first impulse of the two Governments naturally was to restore the *status quo ante* April 7, but Tewfik Pasha strongly opposed the idea, and it was dropped. It was then decided to restore the office of the Controllers-General, but the question of their powers closely depended on the general form of government which Egypt was to have. If Egypt were to be ruled by a Parliament, the powers of the Controllers would naturally have to be limited and their position made dependent on the will of the national representatives. In other words, their office would be a subordinate one, and their functions would be confined chiefly to control proper. On the other hand, if the Controllers were to receive

[1] August 12, 1879. [2] "The Times," August 1, 1879.

real powers of administration, and made, as the bondholders wished, the actual masters of Egypt's destinies, then clearly a Parliament would be out of place, and the absolutism of the Khedive had to be restored. Tewfik himself, who, while heir to the throne, had frequently associated with the constitutionalists, was favourably inclined towards the first of these alternatives. So was also that section of the English public which had been advocating the withdrawal of European influence altogether. England, they declared, must proclaim the principle "of excluding all foreign interference, including our own," since that was a policy "most conducive to our own interests and best adapted to promote the welfare of Egypt."[1] "The interference," wrote "The Times," our valuable and unbiassed witness,[2] "that has been hitherto attempted has been little effectual for good, if it has not produced mischief; and its origin is too obviously suspicious for it to be regarded with respect. Egypt was left alone until difficulties arose about meeting the claims of the holders of Egyptian securities. The oppression of the fellaheen has not been sensibly aggravated except on special occasions, when severe pressure was applied to meet the claims of the bondholders; and while we enforced the necessity for punctuality, and tacitly assented to the means employed for securing it, we never affected to remonstrate against previous harsh treatment. Improvident and wasteful administration went on under our eyes and was promoted by European employés and adventurers. The apprehension of an act of bankruptcy, and this alone, roused the Western Powers to adopt measures of intervention that were hypocritically defended as being prompted by a pure zeal for good government. We can have no sympathy with an abuse of the influence of foreign Governments in the interest of private creditors; and it may be well if the opportunity is seized for taking a new departure, the leading

[1] "The Times," September 27, 1879. [2] *Ib.*, August 20, 1879.

principle of which shall be that of leaving Egypt to work out its own salvation."

But this was a vain demand at a time when the bondholders' appetite for power had been well whetted by the success of the outrage of June 26, and the Government found itself once more executing their designs, instead of minding the wider political interests. It stands on record that even the French Consul-General at Cairo, M. Tricou, was favourably disposed towards a constitutional government in Egypt, and did his best to counteract the pernicious influence of Mr. Lascelles and to induce his Government to side with Sherif Pasha and his band of Nationalists. But even his efforts were fruitless. Both Governments brought strong pressure to bear on the weak-willed Tewfik Pasha, with a view to his dismissing the Ministry and doing away with the Parliament, and on August 18 he refused point-blank to sign the scheme for a constitution which Sherif Pasha had submitted for his approval. Sherif Pasha then resigned. M. Tricou received at the same time orders from his Government to return to France, and the old despotism of the Khedive was restored. Such is the form which the reforming zeal of Europe usually assumes, when it is affected by considerations of profit.

Of course, the despotism of the Khedive was in reality to be the despotism of the European financiers.[1] Tewfik himself, as we said, was weak; the new Ministry was to be in the hands of Riaz Pasha, who had already proved himself, in the Ministry of Nubar, a willing tool of the Europeans; and the Controllers, though their functions were not to extend to the actual administration of public services, but confined to "inquiry, control, and surveillance," were not to be dismissed by the Khedive, except with the consent of the Powers concerned.[2] This was the

[1] "Ismail Pasha's abdication," says Lord Cromer, l.c., p. 145, "sounded the death knell of arbitrary personal rule in Egypt."

[2] "The Times," letter from Alexandria, November 19, 1879.

definite establishment for the first time of a joint political control over Egypt—a measure so ardently desired all the time by France and so much opposed by the more perspicacious politicians in England. As such it signified a political victory for France, though, as a matter of fact, owing to the clever selection of the persons who were to fill the posts of the Controllers—Major Baring, on the one side, and M. Blignières, on the other—the weight of influence, was no doubt, on the side of England. It was probable that France did not care much whether she or England were to derive most of the actual material benefit from the exploitation of Egypt, so long as her political interests there were rendered secure by the joint rule. Lastly, with a view to safeguard against further complications, the Sultan was made to revoke the Firman of 1873 and to issue a new one, whose chief features were the reduction of the army to its old strength of 18,000, and the prohibition, except for the regulation of the actual situation and with the consent of the creditors, to raise fresh loans and to alienate to others, even temporarily, "any of the privileges accorded to Egypt or any portion of the territory." It is to be added that the restriction relative to loans was due to the insistence of England, while that relative to privileges and territory was due to French efforts. Each party safeguarded against the other what appeared to it most important.

CHAPTER VIII

EGYPT UNDER THE DUAL CONTROL

THE decree reappointing the Controllers-General was issued on September 4, but Major Baring and his colleague actually assumed office considerably later. They were both in Paris consulting the bondholders and laying out their plan of action. It constitutes one of the bitter ironies of Egyptian history that the new masters now decided to proceed on the very same lines for attempting which Ismail had been deposed and the constitutional government overthrown. It was decided that the interest on the unified debt should be reduced, that the holders of the floating debt should only be paid in part, and that if no sufficient money should be forthcoming to pay the Government employés, the Tribute to the Porte itself should be sacrificed.[1] What in the case of Ismail and his constitutional Ministry appeared as an intolerable act of arbitrariness, now appeared as an act of prudent statesmanship and sound finance. The November coupon was only paid at the rate of 6 per cent interest,[2] the Tribute was detained,[3] and negotiations were at once begun for a thorough revision of the Goschen-Joubert decree. Also Messrs. Rothschild suddenly waived their former objection to surrender the balance of the

[1] Lord Cromer describes these decisions in a heroic tone: "They (the Egyptian Government) asked us whether they ought to borrow money to meet their engagements. The reply could not be doubtful. If the Tribute could not be paid, so much the worse for the Tribute. The same was to be said as regards the interest on the Unified Debt" ("Modern Egypt," Vol. I, p. 166).

[2] Lord Cromer, l.c., p. 167. [3] *Ib.*

loan of 1878. Germany and Austria, too, renounced their objection to a partial payment of the floating debt, and by the end of the year £1,400,000 were paid on account to the holders of the latter, the balance being appropriated by the Egyptian Government, that is, the Controllers themselves, for other needs.[1] All this was now not only permissible, but even laudable.

However, there were yet other measures taken to "regulate" the financial situation pending the International Commission which was about to assemble, at the instance of the Controllers, for the final liquidation of the affairs. First was the repudiation of the Law of Moukabala and the imposition of a land-tax on Ouchouri lands—two measures which had led to the overthrow of the "responsible" European Ministry. As there was no longer any Ismail to oppose it, the thing could now be done with impunity. A couple of papers dared protest against these measures, but they were promptly suppressed by the Minister, Riaz Pasha.[2] Also a few petitions were presented remonstrating against the arbitrariness of the new régime, but the petitioners were arrested and the ringleaders deported to the White Nile.[3] These actions, no doubt, were intended to show the Egyptian people that now the reign of arbitrary despotism was over. Then, by two decrees issued in 1880 and the year following, M. Blignières' pet scheme of redemption from *corvée* was introduced. Lastly—to mention but the chief measures—the allowance to Halim Pasha, the uncle of Ismail and the pretender to the throne, who had several times been played out against the old Khedive, was cut down from £60,000 to £15,000 per annum.[4] It must be noted that this allowance of £60,000 a year had been the outcome of an arrangement in 1870 between Halim and

[1] "The Times," November 8, 1879.
[2] "The Times," letter from Alexandria, December 8, 1879.
[3] Reuter's telegram in 'The Times," May 28, 1880.
[4] Egypt, No. 1 (1881), pp. 10, 11.

Ismail, in virtue of which the former was to receive that sum during a period of forty years in return for the renouncement of all his landed property, all his privileges and right of succession, and the undertaking never to set his foot on the soil of Egypt. Ismail had honourably discharged his part of the agreement even while Halim was allowing himself to be used by the European intriguers as a bogey to frighten the Khedive with; but no sooner did these European patrons come to power than they repudiated the agreement—they who were so sensitive to the sacredness of the contracts between debtor and creditor, and were now in possession of those very lands which were the basis of Halim's title to the annuity. Halim attempted to protest with several European Governments, but naturally met with no success. Halim had to submit to his fate, reflecting, if he knew German, on Schiller's classic line: "Der Moor hat seine Pflicht getan, der Moor kann geh'n."

In the meantime a new Commission, composed of the members of the Caisse under the chairmanship, once more, of Sir Rivers Wilson, was again sitting in deliberation on the finances of Egypt, the Great Powers having obligingly undertaken in advance to sanction whatever decisions the Commission might arrive at. The Commission was instituted at the beginning of April, and in three months its labours were finished and their results embodied in a law, known as the Law of Liquidation—which was sanctioned by a Khedivial decree, dated June 17, 1880.[1] By that law the revenue of Egypt was taken at the low figure of £8,576,000. The interest on the unified debt was fixed at 4 per cent, together with 1 per cent sinking fund, making a total of 5 per cent, against the former combined rate of 7 per cent. This reduced the debt charges by something like two millions sterling per annum. By way of compensation for this sacrifice the law provided that in all cases the surpluses from

[1] Egypt, No. 1 (1881), pp. 1–14.

the assigned revenue should be used exclusively for the redemption of stock, and that in some cases even the surpluses from the non-assigned revenue should be made to contribute to this service so as to complete an annual redemption equal to ½ per cent of the nominal capital of the unified debt (over £57,000,000). Then a fresh loan to the amount of £5,600,000 was to be raised and added to the privileged debt, in order to pay the floating debt. The privileged debt was thus to be raised to £22,530,000, secured on the railways, harbours, telegraphs, customs, and the revenue of four provinces. The holders of the floating debt were divided into various categories, of whom some received their money in full and others had to submit to a reduction of their claims of varying extent. The aggregate amount of their claims amounted to over £12,000,000—an eloquent testimony to the financial management of the Europeans since Sir Rivers Wilson had undertaken to pay off a floating debt of some £9,000,000.

It will be seen that the interest on the debt was fixed by the Law of Liquidation even at a lower figure than Ismail himself had proposed. In fact, when the idea was first mooted by some of the Commissioners that the interest might be reduced to 6 per cent, "The Times" Alexandria Correspondent, who, it will be remembered, had at the time of the Goschen-Joubert negotiations been much opposed to any reduction below 7, and predicted that the country would pay 7 per cent with ease and pleasure, now wrote that such a thing would be "both cruel and impolitic."[1] It is certain that had this rate, as Sadyk Pasha insisted, been fixed in 1876, Egypt would have been spared the untold sufferings which fell to her lot during the intervening four years, and Ismail would have still been Khedive. But the bondholders wanted their pound of flesh, and would not content themselves with less until they saw that they could not have it, and would only succeed in ruining the country and their own ultimate chances.

[1] "The Times," May 5, 1880.

But while nothing but satisfaction could have been expressed at this reduction, belated as it was, of the rate of interest on the debt, the provision made for the possible surpluses deserved all condemnation. It was clear that the revenue was intentionally fixed at a low figure, in order to obtain surpluses for the benefit of the bondholders and at the expense of the administration. Even as it was, the budget, framed in accordance with the Law of Liquidation, provided in 1880 no less a sum than £4,350,000 as debt charges, leaving for the administration of the country about as much, less the Tribute to the Porte and the interest on the Suez Canal shares, which, together with some minor payments, totalled about one million. The administration was thus left with something like 34 per cent of the total revenue to supply its numerous needs. That was sheer robbery. The Alexandria Correspondent of "The Times" pointed out at the time that even "Cave, Villet, Goschen, Joubert, and all her previous doctors have prescribed more generously," and added that "in their anixety to please the creditors they (the Controllers) have, I think, starved the administration." [1] But the above-mentioned provision concerning the *assignment* of the surpluses to the paying off the debt rendered matters still worse. It meant that however much the country might recuperate from the exhaustion caused by the mismanagement of the preceding years, however great might be the efforts of the Government to husband the financial resources, whatever relief there might be afforded to the people by the reduction of the nominal debt charges—the benefit from all this will be reaped, not by the country, but by the foreign creditors. Education, irrigation, justice, and innumerable other needs of the State, which had gone unsatisfied ever since 1875, will continue to remain unsatisfied, and the economic, intellectual, and social disintegration of the country will proceed at its former pace. Could a policy more vandalic

[1] "The Times," February 3, 1880.

have been conceived? Yet that was the policy decided upon by the collective wisdom of Europe. Later on, when England took over the responsibility for the financial administration of Egypt, that is, for the payment of her debts, the suicidal nature of that policy was well perceived, and for perceiving it, Lord Cromer earned the reputation of a great statesman. But at the time we are speaking of nobody cared two straws what might become of Egypt so long as the coupons were paid promptly. It was the policy of desperate gamblers whose only concern was to obtain as much as possible so long as there was a chance, leaving the future to take care of itself. If Egypt, by some miracle, should prove able to stand the strain, so much the better; if not, she might be thrown away like a sucked orange.

Along with this the Law of Liquidation sanctioned the repudiation of the Moukabala and the taxation of the Ouchouri lands. With regard to the former, it was estimated by the Commissioners themselves that payment to the amount of over £9,000,000 had been made by nearly 500,000 persons, and the Commission decided to give them compensation in the shape of a yearly distribution among them *pro rata* of the sum of £150,000, that is, at the rate of about 1½ per cent on the capital sum, for a period of fifty years. The tax on their lands would now naturally be raised in full. This was the way to deal with native creditors of the State, the majority of whom had their claims, aggregating over £8,000,000, repudiated on the simple plea that their payments had been fictitious. What a pity the same procedure had not been applied to the European money-lenders whose loans had also been to a large extent fictitious! [1]

The Dual Control—the proper, that is, political Dual Control—lasted till the Occupation of Egypt by England

[1] Lord Cromer finds it regrettable—*post factum*, of course—"that no higher rate of interest was allowed to those to whom money was really due on account of Moukabala" (l.c., p. 122).

in September, 1882, but its real and undivided rule ended twelve months earlier, owing to the revival of the Constitution. From the bondholders' point of view the régime was very successful. The execution of the budget for the year 1880 gave a surplus on the assigned revenue of nearly £640,000 and a surplus on the non-assigned revenue of £602,000—together over £1,200,000, which largely went for the redemption of stock. The results of the budget of 1881 were also satisfactory, the assigned portion of the revenue yielding a surplus of nearly £670,000, and the non-assigned a surplus of £200,000. The results were just as the International Commission of Inquiry had expected, when it estimated that from 1880, though not before, "the resources of Egypt, well administered, would ensure the orderly progress of public services."[1] Every one was highly elated, and already in June, 1880, that is, one year after the pessimistic consular reports transmitted by Mr. Lascelles, a new batch of consular reports arrived in London, drawing a glowing picture of the state of the country and the successes of the new administration. The reports, said the new Consul-General, Mr. (subsequently Sir Edward) Malet, in the covering despatch,[2] "lead one to believe that the condition of the fellah is at last permanently changed to the better. . . . The use of the whip in the collection of taxes has virtually become extinct. . . . The fellah has paid his taxes with alacrity . . . and is getting into the habit of making preparations for the periodical calls upon him." And the reports themselves state that "the effect of the reforms which have been introduced by the new administration appears to have been even greater and more rapid than was predicted or expected by those who advocated or introduced them"; that "money-lenders cannot now employ their capital with the fellah, and the present rates quoted of 8 to 30 per cent, may be regarded as purely nominal";

[1] "Rapport preliminaire," p. 49.
[2] Egypt, No. 3 (1880), pp. 1–5.

and that altogether "the fellaheen find themselves in an easy and tranquil condition such as they do not remember to have enjoyed for many years past." These were marvellous results to have obtained within six months, but alas for the frailty of human successes! A few years later, as we shall see, the same consular agents and their chiefs were seeing different visions, because the political needs were different. And as late as 1898 Lord Cromer, in his annual report, with a view to extolling the great virtues of his new scheme for small credit by the National Bank, spoke of the "exorbitant rates of interest, sometimes as high as 40 per cent and higher," which the poor fellaheen had to pay to money-lenders.[1] And the whip also made its reappearance at a later date, when the so-called abolition of the courbash had to be dangled before the eyes of the public as a great and beneficent reform. Even at that very moment when Mr. Malet and his subordinates were penning their beautiful reports, the Alexandria Correspondent of "The Times," criticising the report of the controllers for the year 1880, was pointing out that it was all very well to please the Commissioners of the Caisse, of whom every one was in the receipt of a salary of £3000 per annum, but that it would have been much more important if the Controllers turned their attention to the deplorable state of public education and public works. "Taking the report as a whole," he remarked in conclusion, "it shows that the Controllers are inclined to believe too exclusively that good finance means good government."[2] A month later the same gentleman, speaking of the estimates for 1881, said: "I cannot help concluding my letter by saying that I should feel more at ease in congratulating a public creditor than an Egyptian peasant on the budget of 1881."[3] There is yet another witness—a very curious one, indeed—in the person of Mr. Villiers Stuart, M.P., who never failed to turn

[1] Egypt, No. 3 (1889), p. 17.
[2] "The Times," March 10, 1881.
[3] *Ib.*, April 27, 1881.

up whenever it was necessary to tender "impartial" and "outside" evidence of the great benefits conferred upon Egypt by European and, particularly, English rule. Writing to "The Times," at the time of Arabi revolt, when it was necessary to point out to the public the great calamity which would result to Egypt from the substitution of native rule for European, he spoke thus: "Under European control the people of Egypt have for the first time in modern history been relieved from the cruel oppression of centuries. The administration of justice has become a reality, the reign of the bastinado has been suspended, and contentment and prosperity in the country districts are rapidly taking its place." [1] But the European control passed and gave way to English control, and in 1895 Mr. Stuart discovered good reasons to become frank on events of the past, and so he wrote: [2] "I visited Egypt repeatedly before the Dual Control, and during the Dual Control, and can state that the grievances which have been reformed by us all continued to exist under the Dual Control. Unjust taxation, the levying of which bristled with wrongs and oppression, the abuses and cruelties connected with the *corvées*, the application of forced labour to sugar factories (one of the main charges preferred against Ismail by the International Commission of Inquiry) and to the private purposes of the wealthy and influential—these evils and many more which I could quote, continued to thrive and flourish until we undertook the work of reform." We leave to the reader the option to choose in which of the two cases Mr. Villiers Stuart was telling the reverse of the truth. We personally give him the benefit of the doubt in the latter case.[3]

[1] "The Times," March 8, 1882.

[2] Egypt, No. 2 (1895), p. 3.

[3] "The régime of the Joint (Dual) Control . . . looked solely to finance, and troubled itself hardly at all about other matters. The fellaheen were still governed mainly by the courbash, the courts of justice were abominably corrupt, the landed classes were universally in debt, and were losing their lands to the creditors. . . . There was no sign during the period of anything in the shape of moral improvement encouraged by the Government, or even of improvement in the administrative system."—Mr. Wilfrid Blunt's "Secret History," p. 128–9.

As a matter of fact, though it is certain that the burden of the people was to an extent lightened by the reduction of the debt charges, the previous mismanagement and consequent exhaustion of the people made the process of recuperation exceedingly painful and slow—the more so as on account of the withdrawal of all available surpluses from the domain of administration, nothing positive was being done to assist that process. Public works were decaying more and more, the education of the people was fast becoming a thing of the past, and usury and corruption were sapping the very foundations of national life. With regard to *usury*, it must be remembered that with the introduction of the Mixed Tribunals in 1876 a terrible instrument was created for the economic subjugation of the peasantry, in that they established the reign of European private law amidst a community which was still living largely under primitive patriarchal and semi-tribal conditions. Their effect was well explained subsequently by Lord Dufferin in the following words: [1] "In former days the creditor was not armed with the power of foreclosing and expropriating the debtor from his holding, nor could under the Mahommedan law the case go against him by default; but in the same way as the introduction into India of British Codes invested the creditor with new powers, so in Egypt the International Tribunals have, on the one hand, stimulated the fellah's borrowing instincts by constituting his holding a legal security, and on the other, they have armed the mortgagee with far too ready and extensive powers of selling up the encumbered debtor." The result was as it always has been since the days of the Romans to our own, whenever a law, based on private property, has been imposed upon a people living under conditions where the idea of private

[1] Egypt, No. 6 (1883), p. 60.

property has not yet established itself in all its clearness. Already in 1879 it was asserted that the majority of the fellaheen were no longer proprietors of the soil which they tilled—that nine-tenths of the soil belonged to other classes.[1] This might have been an exaggeration, but we learn on the authority of Lord Dufferin that between 1876 and 1882 the amount inscribed on the table of mortgages rose in round numbers from £500,000 to £7,000,000, of which £5,000,000 were inscribed in the name of fellaheen. There was yet the indebtedness to the village usurers to be added, which Lord Dufferin estimated at between three and four million sterling.[2] This was perfect ruin, and was due in the main to the terrible exactions to which the fellah had been subject ever since the bondholders instituted their régime. "This indebtedness," Lord Dufferin is constrained to acknowledge, "is of recent accumulation, and, as the peasantry themselves assert, is consequent upon the cruel and illegal exactions perpetrated by former Governments, which they were forced to meet with borrowed money."[3] Lord Dufferin meant, of course, by his words to cast an aspersion on the régime of Ismail Pasha, but he forgot that in recent years this régime was only nominally that of Ismail Pasha, and in reality that of the European agents of the bondholders. The Dual Control, so far from attempting to alleviate this intolerable condition of the peasantry, allowed it to continue by appropriating every penny that might have been devoted to economic improvements. "It must be remembered," wrote the Alexandria Correspondent of "The Times," as late as August, 1881, "that the fellah of to-day is more largely indebted than ever previously. A bad Nile and the failure of crops . . . would result in immense transfers of land to Europeans."[4]

[1] This was the opinion of M. Piot, the Director of the Veterinary Service at the State Domains, quoted by M. Rayer, "Voyage agricole dans la vallée du Nil," p. 46.
[2] Egypt, No. 6 (1883), p. 61. [3] *Ib.*, p. 62.
[4] "The Times," letter from Alexandria, August 20, 1881.

So too with "corruption." This stands in close connexion with the policy of filling the Government posts—some real, others fanciful and created *ad hoc*—with Europeans and leaving the native officials, mostly occupying the lower positions, to starve. We have already had occasion to allude to this subject; here it may further be added that in 1879 no fewer than 208 Europeans were imported for posts in the Government service, in 1880 as many as 250, and by March, 1882, there were not less than 1325 European officials in the Egyptian service drawing—and drawing punctually and in full—a sum of £379,056 a year.[1] This amidst the impoverished state of the country, when the administration was being refused every additional penny, and the native creditors had had their claims either repudiated or cut down! An attempt was subsequently made by none other than Lord Dufferin himself, to justify the feeding of this vast host of locusts on the double plea that they presented but a small fraction in comparison with the 53,000 native officials, drawing a salary of £1,648,000, and that without them "the Egyptian Government would quickly become a prey to dishonest speculators, ruinous contracts, and delusive engineering operations."[2] It, however, soon turned out that so far from numbering 53,000, the native officials were only 9200 in number, Lord Dufferin having, in reliance on Mr. Malet's calculations, included in the former number the native army, the police, and the workmen employed in the customs, on the railways, etc.![3] It thus came out that the European personnel formed more than 10 per cent of the whole, besides that they occupied the higher posts, and drew their salaries punctually while the natives were engaged in subordinate positions and never had their salaries paid for two months consecutively. The result may be put in the words of Sir Evelyn Baring a few years later, merely bearing in mind that when he

[1] Egypt, No. 4 (1882), p. 5. [2] *Ib.*, No. 6 (1883), p. 67.
[3] *Ib.*, No. 14 (1883), p. 18.

speaks of the Egyptian Government it is really the rule of the Controllers and of the European Ministry which ought to be spoken of. "It is but a few years," he says in one of his reports, "that the Egyptian Government acted in such a way as positively to encourage corruption. It was hopeless to expect purity among a body of badly paid and uneducated officials, most of whom had large families to support, when their salaries were often months in arrears." [1]

As for the other plea on which the employment of a large number of European officials was justified, here, too, the testimony of such an unprejudiced witness as Sir Evelyn Baring may usefully be quoted. In 1886 he wrote: [2] "One, out of many reasons which have contributed towards the present financial embarrassment of the Egyptian Government, is the practice which prevailed in past years of appointing large numbers of employés to posts under Government." To this, as usual with him, he added a *suggestio falsi*, by remarking: "1879 was the first year in which European control over the Egyptian finances began to be felt seriously, but before it could produce much result the events which ultimately culminated in the Arabi revolt took place." We have seen that it was precisely in those years, when the European control "began to be felt seriously," that the greatest inundation by European officials took place, and Sir Evelyn Baring himself observes: "The absence of effective control is clearly shown in the number of fresh employés engaged in 1880, 1881, and 1882." It will be noted that Sir Evelyn Baring discreetly forgets to mention that these fresh employés were all Europeans, but the reader needs no special enlightenment on that point. The foreign functionaries were themselves a source of ruin for the country, whatever they might have done by way of safeguarding the interests of the Government against "dis-

[1] Egypt, No. 15 (1885), p. 60.
[2] *Ib.*, No. 11 (1887), pp. 5 and 6.

honest speculators." There is, however, solid reason to think that even this praiseworthy function was performed by them in a manner contrary to Lord Dufferin's assertion. The period of the Dual Control was marked by innumerable speculations and shadowy transactions between the Government and private contractors and financiers. We read of an English company, representing the Duke of Sutherland, obtaining, in spite of its high tender, the contract for the irrigation of the province of Behera by steam pumps, though there was the great Barrage of Mehemet Ali, which could have been utilised for this purpose. We also read of the sale of salt being turned into a monopoly and leased to an English rather than to a French company in order to safeguard the interests of British salt importers in India. Another French company offered to work the telegraphs in conjunction with those of Tunis and Algiers, whereby the charges would have been reduced from 2 francs to 25 centimes per word. The Government, however, refused to grant the concession, preferring to maintain the high charges so long as the Eastern Telegraph Company profited thereby. Instances of this kind could be quoted in any number,[1] but the above will suffice to give the reader an idea of what the régime of the Dual Control was like so far as the "safeguarding" of the Egyptian Government from "ruinous contracts," etc., was concerned. Probably Lord Dufferin did not suspect what a piece of humbug he was uttering by pleading for the retention of the European officials on that particular ground. Those, however, who supplied him with this argument, knew well how matters really stood, and must have laughed in their sleeves at the *naïvété* of the great diplomatist.

Perhaps, in this connexion yet another abuse might conveniently be touched upon as arising from the same source and bearing a similar complexion. We mean the

[1] For these and similar facts see "Documents et Extraits de journeaux," 1881 *passim* (to be found in the British Museum).

already mentioned freedom of the European settlers from direct taxation. The régime of the Capitulations provided that no European could be taxed without the consent of his Government, and this provision was made use of to the full extent. Ismail Pasha in his days had more than once made the attempt to raise this question, pointing out how very unfair it was that people who came to enrich themselves under the protection of the laws of Egypt never paid a penny, except by way of indirect taxes, for that protection, while the natives themselves were contributing heavily under the form of land-tax. The Powers were then good enough to agree that their subjects should also pay the land-tax, but as for the town taxes, such as the professional tax, or the house-tax, or the stamp duty on commercial transactions, they thought these might be left to the exclusive enjoyment of the natives. The result was that the Europeans, not being engaged in agricultural pursuits, did not pay the land-tax, and at the same time, though carrying on extensive and financial commercial business, were free from any of the town taxes. The Egyptians, however, paid the latter to the extent of over £430,000 per annum, and were thus considerably handicapped in their commercial rivalry with the Europeans.[1]

Such was the régime of the Dual Control. It was but a continuation of the rule of bondholders first instituted in 1876, with that essential difference that it now was not only more complete, but also bore a distinctly political character. As the well-known international jurist, M. de Martens, subsequently wrote:[2] "the Anglo-French con-

[1] Egypt, No. 6 (1883), p. 76.

[2] "La Question Egyptienne," p. 371. In 1883 Sir Charles Dilke, in the character of former Under-Secretary for Foreign Affairs, said in the House of Commons: "There were two Dual Controls—the original Dual Control of Lord Derby, and the second established by Lord Salisbury. The Dual Control which had been unanimously condemned by Liberal speakers was the second control. . . . In 1879 the Egyptian Government was deprived of the power of dismissing the Controllers, and the Government brought foreign intervention into the heart of Egypt, and established what was in the strongest sense a political control" (Hansard, 'Parl. Debates," Vol. 276, 1883, p. 223). Because the Liberals had condemned the political Dual Control, they grabbed Egypt altogether.

trol was a political institution which had for its special aim to dislocate the Government machinery of Egypt, to discredit the Government of the Khedive in the eyes of his own subjects, and to arrest all legislative and administrative reforms which could in any way damage the interests of the foreign creditors."

PART II

THE OCCUPATION OF EGYPT

"If we are not to secure our position in Egypt because we could not prove any technical justification for our action before a tribunal of international jurists, we should have to unwrite our own history. . . . If you are in business, and do not want to go into the 'Gazette,' you cannot conduct your trade in accordance with the dogmas of primitive Christianity, and England is not only in business.

Mr. Edward Dicey, "The Future of Egypt."

CHAPTER IX

THE REVOLUTION OF SEPTEMBER, 1881

IT was not to be expected, after the precedent of 1879, that the state of things described in the previous chapter could continue for long without calling forth some protest, and, perhaps, a further attempt to overthrow the absolute power of the Europeans. Had the new Khedive been, like his father, a man of energy and ambition, Egypt would have, perhaps, again seen her Khedive taking upon himself the initiative in some decisive action against the Control, and rousing the nation to come to his assistance. Tewfik Pasha, however, was a coward and weakling, and the initiative was not to come from him.[1] By the quite natural logic of the circumstances the initiative in the revolt against the autocratic régime of the Controllers was again taken by the army, led by a simple and half-educated fellah who had risen to the rank of a Colonel, Ahmed Arabi. We need not, after the recent example shown by the Turkish army, be surprised at the fact that soldiers should take the lead in a national movement and come forward as the champions of national rights and freedom. In the East, as it was well pointed out at the time,[2] "soldiers have at all times

[1] Tewfik was at first under the influence of Sherif Pasha, and was against the recall of Nubar Pasha and the interference of the Controllers in matters of taxation. Afterwards, as we have seen, he succumbed to the influence of the Consuls and consented to the abolition of the Constitution. See "The Times," August 20 and September 12, 1879 (Paris telegrams), and September 12, 1879, letter from Alexandria. Also Arabi's Autobiography in Blunt's "Secret History," p. 484.

[2] By Sir William Gregory in "The Times," January 10, 1882.

been the chief factors in political movements; they alone have the unity and courage to carry out their ends; the rest of the population are but as sheep, submitting with hardly a murmur to be sheared and turned into mutton." In the case of Egypt this was doubly true. "The army," justly wrote "The Times," "we must remember, is the only native institution which Egypt now owns. All else has been invaded and controlled and transformed by the accredited representatives of France and England." [1] The army, then, was, as it were, predestined to take the lead in the national movement, if such movement were to break out at all. As the sole institution which was still independent of the Control, and possessed the necessary organisation and power, the army was the natural centre round which the popular discontent was bound sooner or later to crystallise in order to find an effective expression.

Things developed gradually and, so to speak, automatically. The army began by defending its professional interests, and ended by taking up the interests of the nation. Already in 1879 we saw the beginning of this process in the overthrow of the Nubar Ministry by the action of officers who were in arrears of their salaries. That was an action prompted largely by personal interests, such as might have dictated a strike on the part of the civil employés, had they been organised to any extent. It was to a degree the same in May, 1880, when a group of officers, among whom was also Arabi, petitioned the Minister of War against the non-payment of salaries and the use of soldiers for *corvée* services. The complaint was there and then investigated and found correct.[2] Yet already in this case corporate interests, as distinguished from personal, began to assert themselves, inasmuch as the petition contained some allusion to an unjust system of promotion and generally of favouritism carried on

[1] "The Times," September 12, 1881.
[2] Blunt, l.c., p. 133 and following.

under the then Minister of War, Osman Rifki, who belonged to the upper classes, and kept most of the fellah officers in the lower ranks. These corporative interests formed the main basis of the action which Arabi and his friends took in January and February of the following year.[1] Not only had the system of favouritism, against which the first protest was made, continued to subsist, but it was still more aggravated by the open persecutions of all officers of fellah origin and the wholesale promotions of officers of the higher, the Turkish or Circassian, castes.

In the middle of January, 1881, therefore, Arabi and his friends decided to present to Riaz Pasha, the President of the Council of Ministers, a second petition, but of a more drastic character, demanding the resignation of the War Minister and a thorough investigation of the system of promotions. This was tantamount to a mutiny, and the Ministers, after considerable hesitation, resolved to suppress it. Not daring openly to arrest the guilty officers and place them upon a regular trial by court-martial, they had recourse to a stratagem common in the East. They invited Arabi and two other officers, who had presented the petition, to come to the Ministry of War, ostensibly in order to make arrangements for the festivities in connexion with the forthcoming wedding of a certain Princess, but in reality with a view to arresting them on the spot and disposing of them in some clandestine way. The trap was cleverly laid, with the approval of Tewfik himself, but the birds did not fall into it. They had got wind of the conspiracy through a fellow-officer in the Palace, and no sooner were they arrested than the soldiers of the Palace regiment, led by a friend of Arabi, made their appearance on the scene, ejected the Minister and his generals from the room, and, led by the released officers, returned triumphantly to the barracks. A proclamation immediately issued by the officers explained to the public the whole affair, and reiterated the demand

[1] Blunt, l.c., pp. 135–8.

for the dismissal of the Minister of War. Osman Rifki had to go, and Mahmud Sami, a well-known constitutionalist, who had occupied in the Sherif Ministry of 1879 the post of Director of Religious Foundations, and continued to hold it under Riaz, was appointed as his successor.[1]

This little revolution occurred on February 1, 1881, and was the second successful action by the military. Its results, however, were far more important than those which had attended the first mutiny. The manner in which the entire Council of Ministers attempted to screen the Minister of War, charged with a systematic and grave abuse of power, and the purely Oriental and despotic way in which they were going to settle the dispute, brought the army face to face with the political question of the irresponsibility of the Government as it had been constituted after the deposition of Ismail, and impressed it with the fact that neither their own lives and careers nor the welfare of the country were safe so long as the absolutist régime of Tewfik and his European protectors subsisted.

On the other hand, the nation itself, or rather its more enlightened and constitutionally inclined sections, suddenly became aware that they were in reality not so helpless as they had hitherto imagined, in that they had in the army the concentrated physical force of the country, which if gained over for constitutional reform could put a swift stop to the long-drawn sufferings and humiliation of the country. The bold and effective action of Arabi and his fellow-soldiers at once made them the centre of all hopes and the object of universal admiration, and what had been merely intended as a military protest became in the eyes of the Nationalists a civic act of patriotism. Arabi became the most popular man in Egypt—the "Only One," as he was called—and soon stood in

[1] The official account of the mutiny is contained in Egypt, No. 3 (1882), pp. 27 and following.

relations of intimacy with most of the political leaders of that time.[1]

Any one could have then foreseen that if and when the army had occasion to come forward once more, it would no longer be in its own personal or professional, but in the general political interests of the country. It would seem that for a short time after the mutiny of February 1 the Government of Egypt and its European "advisers" did understand the danger of further provoking the army, and did much to calm the ruffled feelings of the officers by the prompt payment of their salaries and reiterated promises of just promotions. By the month of May things had settled down to an extent which enabled Sir E. Malet, the British Consul-General, to report home that "he had reason to believe that confidence was being restored."[2] Fortunately or unfortunately, that confidence did not last very long. It was Riaz who, having lulled, as he thought, the officers into a sense of security, began excogitating means of how to get rid of Arabi and his friends in order to nip in the bud the growing constitutional movement in the army. Spies began to beset every step they made, their houses were being constantly watched, and reports began to circulate of some sinister scheme being in preparation for the assassination of Arabi and some of his more prominent companions. Mahmud Sami, who was known to be the friend of Arabi and the Constitutionalists, was himself subjected to petty annoyances, and was frequently overruled by the Khedive and Riaz.[3] It is impossible to say how much all this might have been due to instigations on the part of the Controllers, who certainly were aware of the provocative conduct of the Ministers. Certain it is that they did nothing to stop it, and permitted Riaz to pursue his dangerous tactics. The only man who would have protested against this policy was

[1] Blunt, l.c., pp. 143 and 144. [2] Egypt, No. 3 (1882), p. 28.
[3] Blunt, l.c., p. 146.

Baron de Ring, the French Consul-General, who was so far in sympathy with the Nationalist movement, in which he saw the best safeguard against English aggression, as to take the side of Arabi during the events of February. But just on that account the Khedive had been induced to ask the French Government for his recall, and Baron de Ring shared the fate of Mr. Vivian, having been removed on the last day of the same month.[1] Riaz had now nobody to fear, except the officers themselves, and it was with the view of rendering them as little capable of resistance as was possible that he conceived in August the plan of sending away the two regiments, which were commanded by Arabi and his best friend Abdel-Al, to the provinces, one to Alexandria, and the other to Damietta.

As Mahmud Sami was opposed to the measure, he was made to resign, and the post of Minister of War was given to the Khedive's brother-in-law, Daoud Pasha, a bitter reactionary, prepared to do anything which was in the interest of the ruling clique. This was the signal for Arabi and his friends to act. On September 8 Daoud Pasha issued the order for the removal of the two regiments. Arabi decided not to obey, but sent word the following morning to Tewfik at Ismailieh Palace, informing him that he, with his troops, would wait for him at the Abdin Palace, and then proceeded with his regiment and those of his fellow-conspirators—cavalry, infantry, artillery, and all—to Abdin Square, and stationed himself before the Palace. There the Khedive arrived shortly before four p.m., accompanied by his advisers, Riaz, Sir Auckland Colvin, the English Controller-General, the American General Stone, and a number of other officers, having previously, by advice of Colvin, gone round several military stations, in order to ensure their loyalty. The meeting between the Khedive and Arabi, as subsequently described

[1] See the above-mentioned "Documents et Extraits." Compare also Lord Cromer, "Modern Egypt," Vol. I, p. 180.

by the latter himself, was exceedingly dramatic.[1] We know from other sources [2] that the Khedive was urged by his advisers, above all, by Sir Auckland Colvin, to shoot down Arabi there and then, in the presence of the troops. But Tewfik could not muster up the courage necessary for this, and after listening to Arabi and exchanging a few angry words with him, retreated to the palace and left the further pourparlers to Mr. Cookson, the Acting Consul-General, who several times went in and came out from the palace, bearing each time a message from the Khedive or Arabi. The upshot of the prolonged negotiations was the complete capitulation of the Khedive. Arabi had submitted three demands—the dismissal of the Ministry, the granting of a constitution, and the increase of the army to its full strength of 18,000. The Khedive granted all of them, and the soldiers dispersed, amidst the cheers and jubilation of the people, to their barracks.

Thus was a revolution effected without a single drop of blood having been shed.[3] Mr. Blunt happened to be at that time in Egypt, and his description of the joyful scenes at Cairo and elsewhere [4] agrees in every detail

[1] Blunt, l.c., pp. 148–50.

[2] Lord Cromer, l.c., pp. 184–8.

[3] Lord Cromer's bureaucratic mind refuses to see in the events of September 9 anything but a "mutiny." There is at the end of the second volume of his "Modern Egypt" a chronological table of events, in which the revolution of September 9 is entered as follows: "The Egyptian army again mutinies. Fall of the Riaz Ministry. Sherif Pasha becomes Prime Minister." Probably the action of the Turkish troops in July, 1908, under Enver Bey and Niazi Bey was also but a mutiny!

[4] Blunt, l.c., pp. 152 and 153. A few sentences from that description will bear repetition. "The three months which followed this notable event were the happiest time, politically, that Egypt has ever known. I am glad that I had the privilege of witnessing it with my own eyes, and so that I know it not merely by hearsay, or I should doubt its reality, so little like was it to anything that I had hitherto seen or am likely, I fear, to see again. All native parties and, for the moment, the whole population of Cairo, were united in the realisation of a great national idea, the Khedive no less, it seemed, than the rest. . . . Throughout Egypt a cry of jubi-

with what our own generation has witnessed in Turkey after July 24 of last year, and in Russia after the issue of the Tsar's Manifesto on October 30, 1905. A whole nation was suddenly freed by a courageous stroke of the army, and placed on the high road of genuine constitutional reform. Sherif Pasha, the old Constitutionalist from the days of Ismail, was, at the instance of Arabi, entrusted with the task of forming a Nationalist Ministry, and the Chamber of Notables was convoked for December 26.

How was the revolution received by Europe? Sir William Gregory, one of the few friends whom the Nationalist movement had at the time, described the reception recorded to the revolution in a letter to "The Times" very aptly by saying:[1] "The birth of new Governments is proclaimed with shawms and trumpets, but this national Government has hardly had a single 'God bless you' from the free countries of Europe, though the whole population of Egypt have raised their hands aloft to Allah in prayer for its duration and success. It has been ushered into the world with averted looks from diplomacy, with tumultuous abuse by officialdom, and with the curses of the stock exchanges." Already after the mutiny of February 1 the English Press began to beat alarm at the appearance on the political arena of an unknown power. It was felt that with the action of the army in imposing its will upon the Egyptian Government a new factor was introduced in the situation, which rendered all former calculations futile and a new orientation necessary—almost inevitable. "The Times" began to hint darkly at "the paramount political interests of England in Egypt," which cannot under any circum-

lation arose such as for hundreds of years had not been heard upon the Nile, and it is literally true that in the streets of Cairo men stopped each other, though strangers, to embrace and rejoice together at the astonishing new reign of liberty which had suddenly begun for them, like the dawn of a day after a long night of fear."

[1] "The Times," March 16, 1882.

stances be sacrificed, and in May Sir Edward Malet goes on a mysterious mission to Constantinople—probably to sound the Porte as to its preparedness to take action against Arabi and for the pacification of the army.[1] There must have been considerable diplomatic negotiations at the time, which have not been published, since already in August the well-informed Alexandria Correspondent of "The Times" was admitting that "there is probably no well-informed native who entertains the smallest doubt that England and France are sparring, at present with gloves, for the eventual possession of Egypt."[2]

It was, however, the revolution of September 9 which brought the whole European diplomacy, but above all, that of England and France, to its feet. In vain did Arabi on that fateful day issue an appeal to the representatives of the Powers, explaining to them the motives which dictated the action of the army, and assuring them that the new régime "would continue to protect the interests of all subjects of friendly Powers."[3] It was felt quite rightly that even with the best intentions in the world, the Nationalist movement would not be able to avoid hurting the manifold interests of the Europeans, which were embodied in the institution of the Control, in the multiplicity of the European functionaries, and in the various privileges which the Europeans enjoyed by the abuse of the Capitulations. Europe was only too well aware that her interests in Egypt were only predatory interests, and sooner or later, should Egypt become independent and strong, must fall a prey to the higher interests of the Egyptian nation. "There is no use disguising the fact," wrote the Alexandria Correspondent of "The Times," "that this movement has no other object than the destruction of European interference with Egyptian administration; and if a fortnight

[1] Egypt, No. 3 (1882), p. 24.
[2] "The Times," August 17, 1881.
[3] Egypt, No. 3 (1882), pp. 4, 5.

ago this intention was confined to a few officers, it is so no longer to-day. The civil population of Alexandria and Cairo, at least, generally so apathetic, endorse fully the action of the soldiery, and are bolder in the avowal of their object." [1] Of course, this was exaggerated language. The "destruction of European interference" could never have been the main object of the Nationalist movement, since its direct object was self-government.

In so far, however, as European interference stood in the way of its achievement, it, no doubt, was regarded as an obstacle to be removed as speedily as possible. The native Press, which, as usual in the first days of freedom, grew to enormous dimensions, at once began to criticise the various measures and acts of administration under the Control,[2] and later on the Parliament itself demanded a number of reports from various administrative departments with a view to exposing the manifold abuses perpetrated by those in charge of them, and to introducing the necessary reforms. Indeed, the whole movement and the revolution itself, would have been senseless if it could not lead to the emancipation of the country from the double yoke of native absolutism and European control, and it was certainly as a battering ram against these two

[1] "The Times," letter from Alexandria, September 27, 1881.

[2] Blunt, l.c., p. 164: "Now that the Press was free, attacks were beginning to be made upon various gross abuses, the injustice of the taxation which, under the foreign financial control, favoured Europeans at the expense of the native population; of the unnecessary multiplication of highly paid offices held by foreigners, French and English; of the hold obtained by these over the railway administration and the administration of the domains which had passed into the hands of representatives of the Rothschilds; of the scandal of £9000 a year subvention being granted still, in spite of the poverty of the land, to the European Opera House at Cairo. A campaign was being carried on . . . against the brothels and the wine-shops and disreputable cafés chantants which under protection of the capitulations had invaded Cairo to the grief and anger of pious Moslems." Alluding to this Press campaign, Lord Cromer, l.c., Vol. I, p. 211, says: "In the meanwhile the minds of the civil population were excited by the vernacular Press, which attacked Europeans and their system of government with virulence and appealed to Mohammedan fanaticism."

fortresses of reaction that the Parliament could be of any use at all.

It is not surprising, therefore, that the news of the revolution should have created something akin to consternation all over Europe, but more especially in England and France. Since the deposition of Ismail it never entered the minds of the diplomatists and the bondholders that Egypt could cause them any further trouble. Here, however, all their nice calculations were upset at one blow. But what was to be done? The strong-headed among the public, including some who but two years ago had vigorously denounced the deposition of Ismail, and, in general, the interference of England, in the affairs of Egypt, were now in favour of the immediate occupation of the country;[1] and so fully had the public mind, during the two years that had elapsed since that unwarrantable act of intervention and the establishment of the political control, become familiar with the idea that Egypt was no longer an independent state, that the call for occupation scarcely met with any opposition from motives of principle. The main objection urged against this idea was that the intervention of England would necessarily meet with the opposition not only of France, but, perhaps, also of Europe, and that that under the circumstances would be dangerous. At the same time a joint-intervention by military force on the part of England and France was regarded as equally inexpedient, since that would lead to the permanent occupation of Egypt by the two countries, and, therefore, put a final stop to the old Imperialist ambitions of England. There was nothing else left to do than to fall back on the contrivance of Turkish intervention, as the one most harmless to England, and allowing further delay till a better opportunity presented itself for decisive action.[2]

[1] See Sir Julian Goldsmid's letter in "The Times," September 15, 1881.

[2] "The Times" was particularly in favour of this policy, though but a short time back it regarded it as chimerical.

The attempt, however, to carry out this policy proved a dead failure. Immediately on the receipt of the news of the revolution, Lord Granville, with a view to forestalling any action on the part of France, instructed the British Charge d'Affaires in Paris to call on M. Barthélemy St. Hilaire, the then French Minister of Foreign Affairs, to discuss with him "freely" the situation, and to impress upon him the "importance which Her Majesty's Government attach to the maintaining of an attitude of a pacifying and calming character by the English and French Governments during the present crisis in Egypt."[1] St. Hilaire, however, was as clever as Lord Granville. "His policy," he declared to Mr. Adams, "with reference to Egypt was well known, and never varied. It was summed up in the absolute necessity, as in the past so in the future, of perfect frankness between the two Governments, and joint action on every occasion. He was ready," continued Mr. Adams in his report of the conversation, "to concert at the proper moment with your Lordship as to any measures which it might be advisable for the two Governments to adopt; and he referred to the establishment of a joint Anglo-French military control in Egypt. His Excellency also expressed himself very strongly against Turkish troops being sent to Egypt at this moment. He felt that such a step would be giving to the Sultan a greater hold upon that country." This was a pretty strong rebuff, and in his embarrassment Lord Granville had recourse to a diplomatic manœuvre. He had heard, he said, that the Khedive had applied to the Porte to intervene in the difficulty which had arisen with Turkish troops, and though the British Government were at present against any active measures of repression, they, nevertheless, see "no objection to the Sultan sending, with the consent of England and France, a Turkish general." But St. Hilaire would not hear even of that, but preferred

[1] The whole story of these negotiations will be found in Egypt, No. 3 (1882).

a "joint military control, consisting of a French and English general, who would be able to introduce order and discipline into the Egyptian army." "The despatch of a Turkish general," he added, "might lead to further steps, resulting, perhaps, in a permanent occupation of the country by Turkey." Lord Granville was obliged to countermand the instruction which he had already given to Lord Dufferin, the British Ambassador, in Constantinople, by asking him "to dissuade the Sultan from sending a general," and generally "to advise the Porte not to take any hasty action."

All this took place within five days after the revolution, and the result showed that England would not be able to do anything to neutralise its effects except by consenting to a joint Anglo-French occupation, and thus forfeiting for ever all chance of getting hold of Egypt on her own account. The disgust at this situation found for a time a curious expression in the Press. "We have remedied," wrote the Alexandria Correspondent of "The Times,"[1] "in two years the extravagance of ten, we have bettered the financial position of the fellah, we have protected him from oppression—and the result is that he considers himself more hardly used than in the days of Ismail Pasha. If you listen to him, he will tell you that English administrators are better paid than Egyptian; that their object being to reorganise the finances in which they (or England) are interested, they should work gratis or at the expense of their own country. . . . Hated and distrusted by the people, unwittingly creators of disorder, if philanthropy be our aim, we had better retire from the attempt." This Jeremiade vividly recalls the fox in Æsop's fable, with the difference that in this case the grapes were not out of reach naturally, but had been so hung by the diplomacy of France. "National or not," wrote "The Times," itself commenting on the words of its Correspondent,[2] "this sentiment has to be reckoned

[1] September 22, 1881. [2] "The Times," September 28, 1881.

with. Its existence does not make it easier for either country (England or France) to come forward as the champion of Egyptian independence. Should England declare for this policy—which we do not say would not be ideally the best and in many ways the more desirable—she would then be adopting the policy which has traditionally been identified with France, and of which the more recent representative was the late French Agent, M. de Ring."

This for a British Imperialist organ was rank pessimism, but one must admit there was ample justification for the sentiment. Here was a most impertinent revolution effected, threatening not only the financial, but also the political interests of England, and yet, owing to the attitude of France, there was no means available to undo the mischief. "The moment," wrote "The Times,"[1] "may be at hand when it will become necessary to give effect to the principle that so long as England is mistress in India, her political interests in Egypt cannot be allowed to be subordinated to those of any other Power whatever." These were brave words, but, alas! utterly ineffective. England could not go to war with all the world for the sake of Egypt, and there was nothing else to do than to submit and to wait.

There was, however, one little gleam of hope in the situation, which was pointed out at the time in a special Memorandum by Sir Auckland Colvin. Writing ten days after the revolution he said:[2] "As to the position, my view of it is that it is essentially an armistice. The arrangement we have been able to come to gives us a little breathing time, during which we can take count of the forces that are at work around us, and endeavour to guide or repress them. . . . The army is elated by what

[1] October 19, 1881.

[2] Lord Cromer, l.c., pp. 206 and following. The document is not to be found in the parliamentary papers published. It had evidently been thought wise to suppress it!

it has achieved, and its leaders are penetrated with the conviction that their mission is to give Egypt liberty. The Notables, who are now in large numbers in Cairo, though they have taken into their own hands the right to ask for an extension of civil liberties, and deny the officers any right of petition or of interference in the matter, are at one with them in the desire to obtain some concessions. All is being done in an orderly and even exemplary manner; but the chance of any final settlement depends (1) on the army dispersing to the several quarters assigned to it, (2) on the moderation shown by the Notables in their demands, and (3) on the tact and firmness of the Ministers in dealing with army and the Notables. . . . It is in this sense that I propose to act, and to advise Sherif Pasha when the matter is ripe for discussion. It is, to sum up, by advising promptness in carrying out the necessary measures with the army, and, in the second place, by reasonable discussion of any petitions presented by the Notables, that we can alone hope to assist in converting the armistice into a peace."

It will be seen that what Sir Auckland Colvin was hoping for was that the civil elements of the national movement might prove more moderate and tractable than the army, in which case, if only the army and its leaders could be disposed of in some way or another, the revolution might, after all, be rendered innocuous. There was intrinsically nothing impossible in such a scheme, as the two sections of the Nationalist movement represented, in point of fact, two different and largely antagonistic classes, the Notables constituting the class of rich landlords, belonging, moreover, to a great extent, to the Turkish and Circassian races, and the army being recruited from among the fellaheen. Sherif Pasha was himself a Turk, and one of the wealthiest landowners in Egypt, and his was the last desire in the world to champion the rights of the fellaheen. History knows many examples of a revolution being repudiated by the very class of men

whom it had assisted to power, and there was some reason to think that the same might be brought about in Egypt. Already on September 21, that is, two days after the above Memorandum had been sent to London, Sherif Pasha was assuring Sir Edward Malet that "it was his intention later on to convoke the Chamber of Notables, which he hoped would by degrees become the legitimate exponent of the internal wants of the country, and by this means deprive the army of the character which it had arrogated to itself in the late movement." [1] The word "arrogated," if it was really used by Sherif Pasha, was very good, as showing how apt are people to forget the steps by which they had climbed to power; it was, however, also a proof that Sir Auckland Colvin had some justification in expecting to be able to play out the Notables against the army, the sole and real support of the revolution.[2]

And so, after having convinced herself that there was nothing to be done under the circumstances by way of repression, England for a time settled herself down to wait for further developments in the hope that they might yet turn out better than the immediate outlook warranted. It was, no doubt, but a feeble hope and utterly humiliating, but there was nothing else to do, and where there is nothing there, even the King loses his power.

[1] Lord Cromer, l.c., p. 206. This document has also been suppressed by the Government of the time.

[2] "Under statesmanlike guidance," says Lord Cromer (p. 188), "this tendency to separation between the two parties might, perhaps, have been turned to account. The main thing was to prevent amalgamation."

CHAPTER X

ENGLAND'S ATTITUDE OF PEACE AND WAR

DURING the last three months of the year 1881 things in Egypt were proceeding pretty smoothly and seemingly in accord with Sir Auckland Colvin's wishes. Arabi, so far from exhibiting any dictatorial inclinations, had shown himself from the first very amenable to reason and as being prepared to submit to the wishes of the civil section of the Nationalist movement. He himself, immediately after the revolution, had summoned to Cairo the Notables in order to concert with them as regards further measures, and when Sherif was appointed President of the Council, he at once expressed his willingness to depart with his regiment from Cairo, in accordance with the order of the former Ministry. On October 6 he made his public departure, accompanied to the station by an immense crowd, whom he harangued on the glory of their bloodless revolution, and on the "mission of the army, well united, well commanded, well disciplined, and marching towards its only goal—the welfare of the nation." [1] Later on he, together with two colonels of other regiments, came specially to Cairo on an interview with Sir Auckland Colvin, and his language, as Sir Edward Malet himself testified, "produced a most favourable impression." He disclaimed (Sir Edward Malet reported) "all hostility to foreigners, saying that what the Egyptians knew of liberty, and much that they had gained of it, was due to foreigners." [2] Sir Auckland Colvin himself was

[1] Lord Cromer, l.c., p. 208. See also Blunt, l.c., p. 170.

[2] Egypt, No. 3 (1882), p. 72.

pleasantly surprised by this interview. "The impression left on my mind was that Arabi, who spoke with great moderation, calmness, and conciliation, is sincere and resolute, but is not a practical man."[1] This was perfectly true. It was really only in the imagination of the subsequent advocates of the Occupation that this simple fellah and ardent patriot figured as a would-be Cæsar or demagogue. In reality, as all who knew him personally agree in stating, Arabi was far more a philosopher and an idealist than a soldier of fortune or even a revolutionary, either by temperament or conviction.[2] He was essentially not a practical man, as Sir Auckland Colvin observed, but not in the sense in which that astute Anglo-Indian official meant it, but in that larger sense in which every leader of a revolution must be practical. Subsequent events showed that he was utterly unfitted for the task which history in a strange mood had placed upon him; that, however, only confirmed what those who knew him thought of him, namely, that he was a dreamer with great faith in men and with no other ambition than to serve his country, but not the type of a man of action and resolve.

There were yet two other occasions on which Arabi showed himself far from being that dangerous demagogue who had inspired Sir Auckland Colvin with such misgivings. On the occasion of the issue of the Decree convoking the Chamber there was a great divergence of opinion between Sherif Pasha and Arabi. The former wanted to convoke the Chamber on the restricted basis of the law of 1866, while the latter insisted on putting into force the more democratic electoral law which had

[1] Lord Cromer, l.c., p. 210. Alluding to the demands which Arabi put forward at the time, the Alexandria Correspondent of "The Times," November 24, 1881, remarks: "Their demands are by no means revolutionary. . . . All they desire is the establishment of justice and order in place of arbitrariness." He calls Arabi also the "eloquent exponent of Arab Liberalism."

[2] See a description of him by Mr. Blunt, who knew him intimately, in 'Secret History," pp. 139 and 140.

been elaborated by Sherif himself in the last months of the reign of Ismail Pasha, but did not receive the Khedivial sanction, owing to Ismail's deposition. Arabi was, no doubt, in the right. It was but just that the new régime established by the revolution of September 9 should resume the development of the political institutions at the stage where they had been violently broken off by the interference of Europe. Arabi contended for his view with great tenacity and with the support of many Notables; nevertheless, as Sherif, acting no doubt by the advice of Sir Auckland Colvin, proved very obstinate, and even threatened to resign, Arabi, without playing the military dictator and throwing his sword on the scales, ultimately yielded and consented to the resuscitation of the law of 1866.[1]

The other occasion arose out of the estimates for the army for the year 1882. In accordance with the promise made by the Khedive on September 9, the strength of the army had to be raised to 18,000, and Mahmud Sami, the Minister of War, estimated that the reform would cost £600,000. Sir Auckland Colvin, however, demurred. The state of the Treasury, he declared, would not allow more than £522,000, sufficient to raise the army to 15,000. A long and very dangerous dispute arose between the Control and the army. Here was a case when Arabi, if he really were inclined to play the dictator, could have insisted on having his way, since the army was his sole support, as well as the chief mainstay of the revolution. Yet after long and weary negotiations, he agreed to waive his point, expecting to be able to make up the deficiency by economies in other directions.[2]

The civil elements of the Nationalist movement also showed unmistakable signs of being prepared to walk in the paths of moderation. All through the autumn Sherif

[1] Egypt, No. 5 (1882), p. 24.

[2] Blunt, l.c., p. 177. Mr. Blunt was himself the intermediary in the negotiations between Sir Auckland Colvin and Arabi.

Pasha was engaged in elaborating an Organic Law defining the powers of the Parliament, which law he proposed to lay before the Chamber when it met at the end of December. After many consultations with the Controllers he decided to exempt from the competence of the Parliament the tribute to the Porte, the Public Debt, and all those charges on the Treasury which arose out of the Law of Liquidation and other international contracts. These items were not to be even discussed by the nation's representatives, but were to be left entirely to the Controllers and the Ministry. On the other portions of the budget the Parliament was to express an opinion, but not to pass a vote. Only in the matter of new legislation and new taxation the Parliament was to have a voice, no law and no new tax being valid unless sanctioned by the Chamber. But even in this the Parliament was to have no power of initiative, the latter belonging solely to the Ministers, who, moreover, would only be partially responsible to the Parliament.[1]

Such was Sherif's project of the constitution. It will be seen that it was moderation incarnate. Indeed, it was so moderate as to amount to a virtual surrender of the essential part of the revolution which aimed at the self-government of the nation. How can a nation govern itself if it does not possess the slightest control over the finances of the country? Even the Russian Duma, the most illusory of all national representative assemblies in the world, has in so far control over a portion of the budget, that without its consent the latter has no validity. Here, however, it was proposed to exempt from the cognizance of the Parliament one-half of the budget entirely, and allow on the other half a mere consultative voice. No wonder that the bulk of the reformers were dissatisfied with such an arrangement, and demanded full control at least over that portion of the budget which was not assigned to the payment of the

[1] "The Times," letter from Alexandria, January 26, 1882.

Public Debt and other international obligations. Nevertheless, there were no signs indicating that they would really persist in an attitude of intransigeance. "We have waited," said Sheikh Mohammed Abdu, one of the foremost leaders of the Nationalists, "so many hundred years for our freedom, that we can well afford to wait some months."[1] It was clearly a matter for patience and mutual bargaining, and one could hope that eventually an amicable settlement would be arrived at.

Thus, everything was pointing to a satisfactory solution of the crisis, as Sir Auckland Colvin conceived it. On October 4 M. de St. Hilaire again spoke to Lord Lyons, the British Ambassador in Paris, of the advisability of sending to Egypt two generals "to hold, with regard to the army, much the same position as is held by the English and French Controllers with regard to finances."[2] But Lord Granville was now less than ever inclined to listen to such proposals, and vouchsafed no reply. On the contrary, on the same day, while speaking to Musurus Pasha, the Turkish Ambassador in London, he assured him that "whatever rumours or impressions might exist, we have no desire to take any steps towards an English occupation or annexation of the country—still less did we wish to see it occupied or annexed by any other."[3] A little contretemps which occurred at this moment well illustrated the high hopes which the British Government was then entertaining of a "satisfactory" solution of the crisis. The Sultan, though asked not to interfere in the crisis, nevertheless thought it opportune to send over to Egypt two Commissioners with a view to asserting the sovereign authority of the Porte. No sooner, however, did the Commissioners arrive at Alexandria, than Lord Granville, who would otherwise have regarded the event as the fulfilment of his wish, himself made the first step to propose to France to protest against the Sultan's

[1] Blunt, l.c., p. 180. [2] Egypt, No. 3 (1882), p. 34.
[3] *Ib.*, p. 33.

action. Sir Edward Malet and his French colleague were, according to his proposal, "to make a joint communication to the Khedive and Sherif Pasha to the effect that they are instructed to assist the Government of His Highness in maintaining the autonomy of Egypt as it is established under the Firmans of the Sultan."[1]

Lord Granville went even further. As far back as September 25 Sir Edward Malet, who had just returned from Constantinople, had suggested to his Government, with reference to the position of affairs immediately following the revolution, that a war-ship might be sent to Alexandria, and stationed there for the winter, so as to diminish "the danger of a panic among the foreign population of Cairo and Alexandria, which the absence of a place of refuge might occasion among them in the event of disturbances." This, of course, was but a diplomatic way of suggesting that it would be well to have some means at hand to interfere, in case another revolution should break out. Lord Granville took the hint, and simultaneously with the above proposal to St. Hilaire to "safeguard" the autonomy of Egypt against the Sultan's attempts at usurpation, he also proposed to send a couple of ships, one by each Power, in order to diminish the "danger of panic." M. de St. Hilaire was only too glad to avail himself of this opportunity for joint action, and so orders were issued for two ships to proceed to Alexandria. The effect was instantaneous. Both at Cairo and Constantinople the public was seized with the utmost dismay, and from both quarters alarmed telegrams brought an inquiry what was the meaning of this unexpected naval demonstration. Sir Edward Malet himself, who seems to have forgotten his own initiative in the matter, telegraphed to Lord Granville, asking how he should explain this unwarranted act of aggression to the Khedive and the Nationalists. Lord Granville, who had thought more of the effect which the demonstration might produce at Constantinople than of

[1] Egypt, No. 3 (1882), p. 37.

its effect at Cairo, where it was his policy to spare as much as possible the susceptibilities of the public, found himself rather in a difficulty, until he was saved by the suggestion of Lord Dufferin that the Sultan might be informed that the ships would be withdrawn if his Commissioners were to return to Constantinople. This was accepted, and on the eve of the arrival of the ships the Commissioners were obliged to re-embark and return to their master, without having effected anything worth mentioning. The ships themselves left for their respective naval stations twenty-four hours after they had arrived at Alexandria.[1]

This incident exhibits in all its clumsiness the diplomatic art of the then British Foreign Secretary, but at the same time it bears witness to the policy which was then being pursued of permitting the events in Egypt to develop without interference, in the hope that by gentle wire-pulling from behind the scenes the men on the spot, that is, Sir Edward Malet and Sir Auckland Colvin, might succeed in directing the revolution into harmless channels. The moment came when the satisfaction at the outlook grew so overwhelming that it was decided to give frank expression to it, and at the same time to assure those whom it might concern that if they proceeded as they had begun, the satisfaction would positively turn into benevolence. On November 4 Lord Granville pens a despatch to Sir Edward Malet, which since then has become famous. Referring to the revolution of September 9 and the substitution of a Nationalist Ministry for that of Riaz, Lord Granville writes:[2] "You inform me that there was a general impression that Riaz Pasha received the special support of England, and that the Khedive retained him in office in order to avoid giving offence to Her Majesty's Government. It cannot be too clearly understood that England desires no partisan Ministry in Egypt. In the opinion of Her Majesty's Government a partisan Ministry founded on the support of a foreign

[1] Egypt, No. 3 (1882), pp. 57–9. [2] *Ib.*, No. 1 (1882).

Power, or upon the personal influence of a foreign diplomatic agent, is neither calculated to be of service to the country it administers, nor to that in whose interests it is supposed to be maintained. The Government of England would run counter to the most cherished traditions of national history, were it to entertain a desire to diminish that liberty, or to tamper with the institutions to which it has given birth. . . . The only circumstance which would force us to depart from this course of conduct . . . would be the occurrence in Egypt of a state of anarchy." Here, in this despatch, as the reader who has reached this stage of our narrative should know for himself, every word was an exquisite piece of hypocrisy. Not only in the recent case of the overthrow of the Riaz Ministry, but in all cases from the time when the old Moufettish was removed, in order to make way for the Goschen-Joubert arrangement, England invariably desired a "partisan" Ministry, subservient to the bondholders and her own political aims; and so far from not tampering with "Egyptian liberty and the institutions to which it gave birth," she had been instrumental in deposing the Khedive for dismissing the Wilson Ministry and instituting a Nationalist Ministry responsible to a Parliament, and had assisted in establishing over the administration of Egypt a political control. The revolution of September 9 itself succeeded through no fault of the British Government, whose representatives counselled the shooting down of the revolutionists, and only acquiesced in the *fait accompli* as affording "breathing-time" for concerting further measures. The whole history of Egypt from 1876 stands as a living refutation of the hypocritical words of Lord Granville; and their value consisted wholly and solely in the intimation which they conveyed, that at least now England would not tamper with the National Ministry, provided it proceeded on such lines as to prevent the recurrence of a "state of anarchy," that is, keep quiet and moderate and hold the revolutionary army well in hand.

It is curious, however, how a good thing, when not meant seriously, can be overdone. In the first half of December M. Léon Gambetta became Foreign Minister in France, in the place of Barthélemy St. Hilaire, and immediately resumed the negotiations for interference which his predecessor had allowed to lapse. He clearly perceived the danger of allowing the old *status quo*, under which the two Governments acted together, quietly to crumble away, and on December 14 he held a conversation with Lord Lyons, drawing his attention to the approach of the meeting of the Chamber of Notables.[1] It was impossible, he said, to foresee what line the Notables would take. They might be moderate and support the Khedive's authority, or they might make common cause with the army, and insist upon the adoption of the anti-European schemes of the National party. They might also admit or even invite the intervention of the Sultan against England and France. Would it not, then, be advisable for the two Governments to consult each other on the course to be taken in common in the face of certain, not improbable events? "The first and most important thing," Gambetta said, "was that the two Governments should not only be perfectly united, but should make their union unmistakably apparent both to their friends and their adversaries in Egypt." Moreover, it was extremely important to strengthen the authority of Tewfik Pasha, "to inspire him with confidence in the support of France and England, and to infuse into him firmness and energy. It would, lastly, also be advisable to cut short intrigues at Constantinople, and to make the Porte understand that any undue interference on its part would not be tolerated."

To this proposal, natural enough from the French point of view, but highly inopportune from the British standpoint, Lord Granville only replied after a lapse of four days. At that very moment Arabi and the Con-

[1] Egypt No. 5 (1882), p. 21.

trollers were bargaining about the military budget, and the English Press was full of alarming rumours concerning the situation in Egypt. It was reported that the Sherif Ministry was about to be overthrown, that Mahmud Sami was to be appointed in the place of Sherif, and that Arabi intended, should the Chamber not endorse his demands for a full increase of the army budget, to make a second revolution.[1] This was all wild talk, but Lord Granville paid attention to it, and on the receipt of Gambetta's offer, deemed it his duty to inquire of Sir Edward Malet how matters really stood. The reply of the British Agent was highly unfortunate. He explained the nature of Arabi's demand, but rather ridiculed the idea that Sherif might resign, and that Mahmud Sami might take his place. "Sherif Pasha," he declared, "is known to have too large an influence in the country for the colonels to resort to violent measures to displace him. They also must by this time be aware that any such action would lead to intervention."[2] This was probably true, though the latter remark squared badly with the recent assurance that England desired no partisan Ministry. Then, however, Sir Edward Malet proceeded to declare his opinion that with all that the general situation could not be regarded with satisfaction. Arabi was at Cairo ostensibly on account of his wife's illness, but in reality to meet the Notables when they should assemble for the opening of the Chamber. "It is questionable," Sir Edward Malet concluded, "how long Sherif will be able or willing to remain at the head of the Government if Arabi Bey maintains the attitude of arbiter of the destinies of the country."

The despatch was clearly written under the influence of the momentary difficulties which had then arisen in connexion with the military budget, but coming as it did into the hands of Lord Granville at a time when he was deliberating on the reply which was to be given to Gambetta's proposal, it did not fail to produce a decisive

[1] Egypt, *ib.*, p. 22. [2] *Ib.*

effect. Lord Granville now thought that a warning to the Nationalists might well be issued by the two Governments concerned, so as to emphasise the concluding sentence in his despatch of November 4, and on the next day he instructs Lord Lyons to inform Gambetta that "Her Majesty's Government quite agree in thinking that the time has come when the two Governments should consider what course had better be adopted by both Governments."[1] This was a fatal reply, and the more stupid as two days afterwards Sir Edward Malet was in a position to inform his chief that the question of the military budget had been satisfactorily settled, Arabi having yielded to the demand of the Controllers. But it was now too late to withdraw. On December 24 Lord Lyons had another conversation with Gambetta, in the course of which the latter suggested that "the best chance of preventing fresh mutinous proceedings in Egypt lay in making it apparent that France and England were resolved not to tolerate them," and proposing to send an Identical Note drawn up in such a way "as to make it a distinct manifestation of union between France and England, as to strengthen the position of Tewfik Pasha, and as to discourage the promoters of disorders."[2] Lord Granville accepted the idea, and on December 31 Lord Lyons transmitted to him the draft of a Joint Note prepared by Gambetta, which was to be sent to the representatives of the two Governments at Cairo, with a view to communicating it to the Khedive and the Ministry. It declared that "the English and French Governments consider the maintenance of His Highness on the throne, on the terms laid down by the Sultan's Firmans, and officially recognised by the two Governments, as alone able to guarantee, for the present and future, the good order and development of general prosperity in Egypt, in which France and Great Britain are equally interested. The two Governments," the Note proceeded, "being

[1] Egypt, *ib.*, p. 25. [2] *Ib.*

closely associated in their resolve to guard by their united efforts against all cause of complication, internal or external, which might menace the order of things established in Egypt, do not doubt that the assurance publicly given of their formal intentions in this respect will tend to avert the dangers to which the Government of the Khedive might be exposed, and which would certainly find England and France united to oppose them. They are convinced," said the Note in conclusion, "that His Highness will draw from this assurance the confidence and strength which he requires to direct the destinies of Egypt and his people." [1]

A Note more mischievous could scarcely have been imagined. The uncalled-for interference at that particular moment was in itself an intolerable act of provocation, intended, as it were, to remind the Egyptian nation that whatever its efforts might be to establish the basis of its self-government, there were the two Western Powers above it, watching its proceedings and ready to pounce upon it when it suited them. Then, again, the Note, by insisting with a strange emphasis upon the authority of the Khedive, which nobody was threatening, and hinting at some mysterious complications, "internal or external," which would find the two Governments united in opposing, was almost a direct challenge to the Khedive to attempt a *coup d'état* by dismissing the Chamber and restoring the old autocracy as "laid down in the Sultan's Firmans." The Note stood in direct opposition to Lord Granville's despatch of November 4, which only spoke of a "state of anarchy" in a far-off hypothetical fashion, but extended its full blessings to the new régime. It also stood in contradiction with the advice of Sir Edward Malet, who, having apparently recovered from his fright of but a few days previously, wrote on December 30 to Lord Granville that "it would be inadvisable that the Khedive should be encouraged to hope that we would support

[1] Egypt, No. 5 (1882), p. 35.

him in maintaining an attitude of reserve towards the Chamber," since to discountenance the latter "would be to play into the hands of the Porte, increase the influence of the military, and diminish that which we are now obtaining as befriending moderate reform." [1]

In these circumstances one might have expected that Lord Granville would refuse his sanction to such a Note. We find, however, that on the very day when he received the draft of it through Lord Lyons he also received a long Memorandum from Sir Auckland Colvin, in the course of which that gentleman, after describing in full the dangers that would threaten the European control from the Chamber assuming the right to vote upon a portion of the budget, as well as those which would threaten the numerous European officials from the parliamentary control of the administration, lays down his policy as follows: "The line, it will thus be seen, that I advocate, is the open and firm recognition by the Powers, through their diplomatic agents, at this critical juncture when Egypt is remoulding her internal reorganisation, of the material interest they possess and intend to maintain in the administration, leaving full liberty to the Egyptians to frame what measures they please for their internal government so far as they are not inconsistent with the status acquired by the Powers. In fact," he continued, with a most impertinent assumption which shows clearly the change effected in the international position of Egypt by the institution of the Dual Control in 1879, "in fact, the Egyptian administration is a partnership of three. Unless the Powers are prepared to modify their share, they must secure and strengthen it now that the Egyptians are in a state of movement and change. They cannot look on with indifference, and allow matters to be discussed and settled here without some intimation of their views. If a clear understanding is not imposed from the first, much

[1] Lord Cromer, l.c., Vol. I, p. 218. Not to be found among the official papers published.

misunderstanding will arise, embittering more, as I think, the relations between us and the Egyptians than would the authoritative declaration, now when the Chamber is about to meet, of the intentions of the Powers." [1]

It was this thoroughly mischievous Memorandum of Sir Auckland Colvin, with its disastrous—as the events soon proved it—assumption contained in the last paragraph, that induced Lord Granville to accept Gambetta's draft of the Note, contradicting though it did his own recent utterances and pledging England to that very policy of joint action which it had been her traditional policy to avoid. The only reservation which he made, when giving his consent on January 6 to the despatch of the Note, was that the British Government "must not be considered as committing themselves thereby to any particular mode of action, if action should be found necessary." To which Gambetta, triumphant in his victory, only replied "with pleasure" that this was a reservation in which the French Government participated.[2]

Subsequent historians have greatly blamed Lord Granville for having agreed to this Note—not, indeed, because it injured Egypt, but because it did twofold damage to the interests of England by committing her once more to joint action with France and interrupting that smooth course of the evolution of the National party which seemed to promise to undo much of the results achieved by the revolution. In this the critics were perfectly right. The effect of the Note at Cairo when it was presented on January 8 was, one may say, electrical. The situation at the time looked the very reverse of what Sir Auckland Colvin represented in his Memorandum. The Chamber was opened by the Khedive on December 26, and so pleased was he with the replies which had been made both by the President of the Chamber, Sultan Pasha, and one of the most

[1] Lord Cromer, l.c., p. 218–220. This document was also kept secret by the Government of the time.

[2] Egypt, No. 5 (1882), pp. 5, 6.

prominent members, that Sir Edward Malet a short time afterwards was able to report as follows: "At an interview which I had with the Khedive on the 31st ult. I found His Highness, for the first time since my return in September, cheerful in mood and taking a hopeful view of the situation. He spoke with much satisfaction of the apparently moderate tendencies of the delegates, and he expressed his belief that the country would now progress." [1] There was, of course, that bone of contention, the powers of the Chamber in respect of the budget, many of the Notables still demanding for the Chamber the right to vote it in so far as it is not specially set apart from the service of the Public Debt. But how very little there was cause to despair of arriving at a satisfactory solution of the dispute, can be seen from the fact that on the very eve of the delivery of the Joint Note Reuter's Agency was able to inform the public that "it is not expected that it (the demand) will be insisted upon by the Chamber." [2] The delivery of the Note, however, changed all that with a quickness of magic. On January 9 Sir Edward Malet reported to his chief that "the communication has alienated from us all confidence." "Everything," he continued, "was progressing capitally, and England was looked on as the sincere well-wisher and protector of the country. Now, it is considered that England has definitely thrown in her lot with France, and that France, from motives in connection with her Tunisian campaign, is determined ultimately to intervene here." [3] The allusion to the Tunisian campaign in which France was at that time engaged must be understood in

[1] Egypt, No. 5 (1882), p. 42.

[2] "The Times," January 8, 1882.

[3] Lord Cromer, l.c., Vol. I, p. 228. Sir Edward Malet gave at the time numerous similar expressions of opinion, but they were all suppressed (cf. Blunt, l.c., p. 188). Lord Cromer, however, had access to the pigeon-holes of the Foreign Office, and extracted this and the other documents quoted above. It is an interesting illustration of the means which modern diplomacy uses in order to influence public opinion. If the privilege allowed to Lord Cromer

the sense that France was supposed to be in fear lest the natural sympathy of the Mahommedan world with the Tunisians should give rise to a Pan-Islamic movement and a war of the Crescent against the Cross. We do not attach much credence to this belief. Gambetta was too much of a practical politician to be afraid of chimeras. Nevertheless, it is probable that many in Egypt thought he was, and attributed his initiative in the last act of interference to this motive.

We have it on the authority of Mr. Blunt, who was at the time at Cairo, that Sir Edward Malet himself was taken aback by the issue of the Joint Note.[1] He who had counselled that the Khedive should not be "encouraged to hope that we would support him in maintaining an attitude of reserve towards the Chamber," suddenly found himself face to face with a direct invitation extended to Tewfik to play ducks and drakes with the Constitution, and tried in vain to assure the Nationalist leaders, through Mr. Blunt, that "the meaning of the Note as understood by the British Government was that the English Government would not permit any interference of the Sultan with Egypt, and would also not allow the Khedive to go back from his promises or molest the Parliament." "Sir Edward Malet," replied Arabi to these *lucus-a-non-lucendo* arguments, "must really think us children who do not know the meaning of words."[2] The Nationalist leaders well understood that the Note was intended as a sort of declaration of war against those who were striving after genuine constitutional reforms which would put an end to the insolence of the European administrators, and as usual in such cases, the more moderately inclined elements among them went immediately over to the radical side.[3] "It is too soon to judge at

were extended to others, not so interested in screening the misdeeds of the then Liberal Government, what instructive documents could have been produced!

[1] Blunt, l.c., p. 188. [2] *Ib.*, p. 189.

[3] A striking description of the effect of the Note is given by Blunt, l.c., p. 190.

present," wrote Sir Edward Malet on January 10, "of the ultimate result of what has taken place; but for the moment it has had the effect to cause a more complete union of the National party, the military, and the Chamber, to unite these three in a common bond of opposition to England and France, and to make them feel more forcibly than they did before that the tie which unites Egypt to the Ottoman Empire is a guarantee to which they must strongly adhere to save themselves from aggression."[1]

This was a development which completely belied the prediction of Sir Auckland Colvin, who, it will be remembered, had assured Lord Granville that "if a clear understanding is not imposed from the first, much misunderstanding will arise, embittering more the relations between us and the Egyptians than would be an authoritative declaration of the intentions of the Powers." Lord Granville now saw himself what a disastrous mistake had been made by him in listening to the advice of the English Controller, and acting on the suggestion of Sherif and Sir Edward Malet, proposed to Gambetta to send "an explanatory telegram to Sir Edward Malet to the effect that the character of the dual communication had been misunderstood." To this, however, Gambetta demurred. "He was decidedly of opinion," reported Lord Lyons, "that it might be extremely unadvisable to send any explanation at all of the dual communication." The matter then dropped.[2]

Thus by one single incautious act Lord Granville upset the game which at one time bade fair to allay the dangers which threatened the English ambitions in Egypt.

That he did not foresee the results of his action may well be charitably granted. On the day of the despatch of the Joint Note he had a visit from Musurus Pasha, who came to inquire about the truth of the rumours concerning the impending action of the two Powers. Lord Granville communicated to him the text of the

[1] Lord Cromer, l.c., Vol. I, p. 229. [2] *Ib.*, p. 287.

Note, referred him to his own despatch of November 4, and assured him that "to this programme (as laid down in the despatch) and to the disclaimer of any ambitious designs on our part which despatch contained, we fully adhered." He also denied, "as had been reported in the newspapers, that the French Government had proposed, or that we had agreed, to promise the Khedive material support."[1] Seeing how completely these assurances were refuted by the text of the Note which Musurus Pasha held in his hand, it can only be assumed that Lord Granville really did not understand the import of his new action. This may appear strange, but was, nevertheless, quite natural—so much had the two Powers interfered in the past that a little more or a little less interference did not appear to them as of much importance. Even the despatch of November 4, benevolent as it was, was at bottom an act of assumption of authority which would not have been warranted in the case of any other independent State but Egypt. Egypt, however, was seriously considered as constituting a "partnership of three," and all degrees of interference, short of actual occupation or annexation, were regarded as equally justified and of equal value.

It is worth noting that the Porte did not accept the reassuring interpretations of Lord Granville regarding the Joint Note, and sent out a circular to the Great Powers protesting against the action of England and France. The reply of the Powers was significant: "They are of opinion that the *status quo* (in Egypt) cannot be modified except by an accord between the Great Powers and the Suzerain Power."[2] These words, which have never subsequently been retracted, and in which England fully acquiesced at the time, are worth remembering as characterising the position which England assumed by the occupation of Egypt from the point of view of international law.

[1] Egypt, No. 5 (1882), p. 43. [2] *Ib.*, p. 80.

CHAPTER XI

INTRIGUES FOR INTERVENTION

THE outward and visible expression which the fusion of the two sections of the National party, consequent upon the publication of the Joint Note, immediately found was the strong stand which the Chamber now made against Sherif's project of the Organic Law, and especially that part of it which related to the budget. "The Anglo-French Collective Note," reported Reuter's Agency,[1] "has undoubtedly caused a less conciliatory attitude on the part of the Chamber of Deputies towards the Government." "There was a chance," wrote also Sir Edward Malet, alluding to the disputed question of the control over the budget, "of arriving at an understanding, but this is apparently now passed."[2] The Chamber now unanimously declared that it would not accept the Organic Law elaborated by Sherif, but would elaborate a project of its own which would, among other things, provide for the full control of the Chamber over that portion of the budget which was not assigned to the payment of the Public Debt. On being informed of this Lord Granville at once replied that "Her Majesty's Government do not wish to commit themselves to a total or permanent exclusion of the Chamber from handling the budget; caution, however, will be required in dealing with it, regard being had to the pecuniary interests on behalf of which Her Majesty's Government have been acting."[3] This was quite a refreshing sort of frankness

[1] "The Times," January 17, 1882.
[2] Lord Cromer, l.c., p. 288.
[3] Egypt, No. 5 (1882), p. 44.

such as had hitherto but seldom been exhibited by the British Government; and as if to emphasise that it was the "pecuniary interests" of the bondholders which he was anxious to safeguard, Lord Granville in the same despatch asks Sir Edward Malet to inform him "what will be the precise effect, if the Notables obtain the power over the finances claimed by them." To this Sir Edward Malet replied by pointing out that the Chamber would not be able to discuss the Tribute to the Porte, the service of the Public Debt, or any other charges arising from the Law of Liquidation, or international conventions, but "official salaries, not regulated by contract, would be under the control of the Chamber, so that it would be able to abolish the land survey . . . and to dismiss many Europeans in the administration."[1] This, however, was sufficient for Lord Granville. The bondholders, it is true, would be safe, but the innumerable cousins, brothers, sons, and friends would be, perhaps, deprived of their salaries, and that could scarcely be tolerated.

On the same day of his inquiry to Sir Edward Malet, Lord Granville also instructed Lord Lyons to ascertain the opinions of Gambetta on the subject, and the reply promptly came that Gambetta "expressed a very strong objection to any interference at all by the Egyptian Chamber with the budget." In Gambetta's opinion "it behoved France and England to be very firm, lest any appearance of vacillation on their part should encourage the pretensions of the Notables to lay their hands on the budget," and he argued that "their touching the budget must inevitably lead to the overthrow of the arrangement made by the Liquidation Commission, to the subversion of the French and British Control, and to the ruin of the Egyptian finances."[2] On that latter point Sir Edward Malet, who clearly saw the mischief caused by the Joint Note, and was anxious to repair it in some way or another, had written to Lord Granville just a couple of days pre-

[1] Egypt, No. 5, p. 45. [2] *Ib.*

viously in the following terms: "The Chamber exists and will continue to do so unless it is forcibly suppressed, which can only be done by intervention, and this is a last resource, which the eventuality of the possible infraction of the Law of Liquidation would in no way justify. . . . I confess that I should prefer to give the Chamber the right, and to wait till this right is abused before interfering. It must be borne in mind that the Egyptians have distinctly, for good or for evil, entered on a constitutional path, and that the Organic Law of the Chamber is their charter of Liberty."[1] Those were true words, and, in the mouth of such a perfect type of a bureaucrat as Sir Edward Malet, doubly significant; yet Lord Granville did not heed them, and instructed Lord Lyons to inform Gambetta that the British Government agreed with his views.

It redounds to the credit of Sir Edward Malet at this stage that, foreseeing the disastrous results to which a conflict on that particular question of the budget would lead, and being anxious to avoid them, he did everything in his power to find a compromise which would satisfy both sides. Having ascertained through the good offices of Mr. Blunt that the Nationalists would never consent to give up their claim in its entirety,[2] he on January 11 telegraphs to Lord Granville that "it has occurred to me that, as a compromise, the right might be given and form part of the Organic Law, on the condition that the Delegates voluntarily abrogate the use of it for three years."[3] A fortnight later he again telegraphs to Lord Granville, inquiring "whether he might consider proposals which had been made to him unofficially by the President of the Chamber with a view to coming to an arrangement which would accord to delegates from the Chamber the right to co-operate with the Ministers in the vote and examination of the budget."[4] Again, as a last resort,

[1] Egypt, *ib.*, p. 50. [2] Blunt, l.c., pp. 194–5.
[3] Egypt, No. 5 (1882), p. 50. [4] *Ib.*, p. 54.

he telegraphs to his chief declaring his opinion "that the Chamber would listen to reason if the Great Powers were to refuse to consent to the transfer of power to the Chamber, but to state that while otherwise maintaining the *status quo*, they will guarantee a constitution compatible with international engagements, and will take steps to come to an agreement on the subject." [1] To none of these proposals, however, was any reply vouchsafed by Lord Granville. In vain did Sir Edward Malet add to the despatch just quoted the ominous words: "I think that this is the only way out of a situation which is rapidly leading both us and the Egyptians to extremities." In vain did he also warn Lord Granville that "armed intervention will become a necessity if we adhere to the refusal to allow the budget to be voted by the Chamber; yet all Governments are interested in preventing the necessity of intervention, which, if undertaken by the two Powers alone, would probably lead to serious disaster here." [2] Lord Granville had evidently made up his mind that an armed intervention should take place if the Chamber insisted on its rights, and gave instructions to his subordinate to act accordingly.

This was really the beginning of the end. It was not to be expected that the National party, which now meant the whole nation so far as it was articulate at all, would surrender unconditionally the fruits of the September revolution, and consequently the occupation of the country became inevitable. Henceforth even Sir Edward Malet, as became a loyal official who possessed no opinions of his own, began to work for military intervention, while Sir Auckland Colvin decided to work for annexation by England.[3]

On January 20 Sir Edward Malet and his French colleague officially informed the Egyptian Government on behalf of

[1] Egypt, *ib.*, p. 52. [2] *Ib.*, p. 52.
[3] See the conversation which Mr. Blunt had with him about this time ("Secret Occupation," pp. 199–200).

the two Powers that "the Chamber could not vote the budget without infringing the decrees establishing the Control." [1] As at the same time Sherif Pasha still adhered to his project of the Organic Law, a deputation from the Chamber waited on February 2 on the Khedive, asking him to dismiss the Sherif Ministry, and to appoint in its place another, more in harmony with the wishes of the Chamber. The Khedive made some show of resistance, in accordance with a prearranged plan, but ultimately agreed. The question now was who should be charged with the formation of the new Ministry. The deputation submitted that this was a prerogative of the Khedive. The Khedive, however, acting on the advice of his English counsellors, demanded that the Chamber itself should recommend its favourite. In this way, it was thought, the responsibility for the further political developments would be thrown on the Chamber, while the Khedive would, as it were, reserve his freedom of action. That was scarcely a constitutional proceeding, and augured ill for the future conduct of the Khedive. Nevertheless, the Chamber accepted the responsibility, and proposed the Minister of War, Mahmud Sami.

It is to be noted that they did not propose Arabi, though Arabi had already been by this time a member of the Ministry, having been appointed on January 5 Under-Secretary of War, on the ground, as the Controllers put it, that "it would be better that he should belong to the Government than be outside it." [2] Arabi merely took, in the new Cabinet, the portfolio of the Ministry of War, which did not, however, prevent the scribes of the Occupation from heralding the new Ministry as the advent of military dictatorship. The Sami Ministry entered upon its duties on February 5. Its programme, as outlined in a letter which the new President of the Council wrote to the Khedive on his appointment,[3] included a series of

[1] Egypt, No. 5 (1882), p. 71. [2] *Ib.*, p. 35.
[3] The letter, in English translation, is quoted by Mr. Blunt, l.c., p. 561.

internal reforms, such as the reorganisation of the Tribunals, the reform of administration, improvements in public education, etc., but above all and as its first act, the sanction of the Organic Law elaborated by the Chamber. "This Law," Mahmud Sami stated in his letter, "will respect all rights of a private or international character, as well as all engagements relating to the Public Debt and to the charges which the latter imposes upon the State budget. It will determine wisely the responsibility of the Ministers before the Chamber, as well as the mode of discussing the laws." By Article 34 of the Organic Law it was provided that neither the Tribute to the Porte nor the service of the Public Debt, nor any other matters relating to the Debt and resulting from the Law of Liquidation, or international conventions, could "on any account" be objects of discussion in the Chamber. The rest of the budget was to be discussed and voted by a Committee composed of the Council of Ministers and of as many Deputies appointed by the Chamber. The rights of the public creditors were thus amply safeguarded, while those of the Chamber itself over the non-assigned portion of the budget were reduced to a bare minimum. The Law, however, contained another article, Article 20, which was exceedingly distasteful to the European "partners" of the firm. It stated that "the Deputies shall have the right to supervise the acts of all public functionaries during the session, and through the President of the Chamber they may report to the Minister concerned all abuses, irregularities, or negligences charged against a public official in the exercise of his functions." This article, together with another providing that no treaty or contract between the Government and third parties, and no farming or other concession could be valid without the approval of the Chamber, spelt disaster to many European officials and contractors whose sole interest in Egypt was of a predatory character. No wonder, as we shall soon see, that when the Chamber began to act

on these articles of the Organic Law, consular reports commenced speaking of the "growing want of insecurity" all over the country, and Sir Edward Malet denounced the "anti-European" policy of the Nationalist régime.

The Khedive sanctioned the Organic Law on February 6,[1] and the Chamber continued its sitting till the end of the session, 26 March. Within this brief period of time it was scarcely to be expected that much could be done by way of legislation except to remove some of the most glaring abuses of the past. The various Ministries were hard at work on the elaboration of reform schemes to be submitted to the Parliament next session. They were elaborating a new electoral law, a law for the abolition of the *corvée*, a scheme for the reform of the Mixed Tribunals which had spelt such ruin to the fellaheen in the past, a scheme for an Agricultural Bank, and so forth.[2] Arabi, in particular, was busy in reforming his department, which was in the utmost state of delapidation, so as to prepare for all eventualities. He displayed great activity in putting the coast fortresses in an efficient state, and reorganised the artillery reserves, distributing them among these fortresses.[3] The Chamber, on its part, was busy in examining the texts of all the public and private treaties and contracts concluded between the State and foreign Governments and subjects, and in interpellating the Ministers on various abuses which had come to its knowledge. The chief among the latter was connected with the Land Survey which had been undertaken three years before under the ægis of English officials, and brought so far no visible results except an enormous expenditure of money on salaries, fees, travelling, etc. The Chamber ultimately instituted a special commission of inquiry into the subject, much to the alarm of the "surveyors" concerned.[4]

[1] The reader will find the complete text of the Law in "The Times," February 23, 1882; also Blunt, l.c., pp. 564–570.
[2] Blunt, l.c., p. 210. [3] Egypt, No. 5 (1882), p. 82.
[4] Egypt, No. 7 (1882), pp. 50, 64.

How these proceedings were looked upon by the "men on the spot" can easily be imagined. The fall of the Sherif Ministry was explained abroad, both officially by Malet and unofficially by the correspondents of the Press,[1] as having been due to downright intimidation by Arabi, who also threatened Sultan Pasha if he would not resign. In vain did Sultan himself publicly repudiate the story—Sir Edward Malet would not accept the correction. The new régime was represented by Sir Auckland Colvin to be "wholly under the influence of a mutinous and successful army";[2] Mr. Cookson, who for a short time, while Sir Edward Malet was away on the Nile with the children of the Prince of Wales, acted as his substitute, reported that[3] "all the pretended aspirations for legality and constitutional liberty had ended in substituting the indisputable will of the army for all lawful authority." Arabi, he reported, was effecting a large number of unjust promotions in the army, and the Khedive, for fear of a mutiny, had to sanction them. The Ministry had published their new electoral law, which provided for indirect elections of the deputies by two stages. Mr. Cookson sees in this a diabolical scheme for the strengthening of the military régime. The law, he says, "is calculated in the country to produce the effect of throwing the whole electoral power into the hands of the nominees of the authority which is for the moment supreme—and at present this is the army." In a series of further reports he speaks of the "disorganised and uneasy state of the provinces," and duly informs his chief that "many Notables who have a stake in the country are drawing back from their hastily formed alliance with the militant party." Others, again, simply charged Arabi with being in the pay of the Sultan,[4] while Sir Edward Malet went the length of doubting

[1] Blunt, l.c., pp. 203 and following.
[2] Egypt, No. 7 (1882), p. 80. [3] *Ib.*, p. 65.
[4] Sir William Gregory's letter in "The Times," December 21, 1881, containing an account of an interview with Arabi.

"whether the Control should be maintained now that it existed only in name."[1] To cap the whole batch of charges Sir Edward Malet had recourse to the ancient method of letting his consular agents speak, and transmitted to Lord Granville a large number of reports from the interior which purported to show to what terrible anarchy the country had been reduced within the couple of months that the new Nationalist Ministry had been in power.[2] It turned out that the prohibition of the famous courbash—an act which was subsequently to form such a brilliant feather in Lord Cromer's cap—had reduced all lawful authority to nought, and set the fellah class in a permanent revolt against their betters. "Deprived of his courbash and of his power to imprison," writes Mr. Rowsell, the administrator of the Domains,[3] "the Governor of an Eastern province can do little with a population accustomed for centuries to strong, personal, direct government. . . . The drift of the movement during a year past has been to possess the peasant with the idea that he can arrive at what he is told is liberty by leaps, while the additional momentum given to the movement by the accession of impractical idealists to power has had upon the authority generally the same effect as is produced by water upon a lump of sugar." This was a wonderful story—the more wonderful as its author by lamenting the suppression of the arbitrary powers of the provincial Governors by "impractical idealists" clearly revealed the true inwardness of the opposition which was felt by the Europeans towards the new régime. On his part, Sir Edward Malet, commenting upon this and other reports which he transmitted, speaks in his covering despatch in the following strain: "The first of these (letters) reports growing insecurity, due to the small respect paid to the civil authorities by the natives. This is attributed (!) to the action of the military, who treat

[1] Egypt, No. 7 (1882), p. 46. [2] *Ib.*, pp. 40 and following.
[3] *Ib.*, p. 42.

their civil colleagues with none of the consideration necessary to carry on provincial administration. Corruption among the employés is attaining its former prevalence, and is favoured by the frequent changes among the higher functionaries. . . . The second letter dwells upon the straits to which the fellaheen are now reduced in order to obtain money. The landed proprietors attribute the tightness of capital and their present distress to the policy of distrust which reigns under the present Government, and they boldly declare that the Ministry is responsible if they are unable to pay the land-tax." [1]

Needless to say, most of these terrrible things and charges against the Ministry were simply the product of the official imagination. It was a case of an "intelligent" anticipation of the Yellow Press methods of agitation we are nowadays so well familiar with. The time when Egypt was ruled by this national Ministry certainly belonged to the best the country ever had, and so far from being characterised by the rule of the military, it was in all respects the one which was least affected by terrorism from above. The army was certainly there, but as a part, and a vital one, of the constitutional movement. What Sir William Gregory had written two months previously remained true for the period under consideration. Alluding to the action of the army on September 9, he said: [2] "Whatever public opinion there is in Egypt has been strengthened by it, and I have every hope that the notorious abuses with which the country is still swarming will be gradually and patiently removed. Certainly, very little would have been done but for some strong intervention. Reforms have always been talked about here just as in Turkey, but everything has ended in talk. . . . But there are now valuable reforms on foot, owing to the knowledge that there is a powerful body which means to insist on their being carried out." And as regards the

[1] Egypt, No. 7 (1882), , p. 111.
[2] "The Times," January 10, 1882.

alleged abuses constantly committed by the army,[1] he writes a long letter to "The Times," refuting every count in the indictment, and concluding with the following words: "I will venture to say that more military outrages have been committed in London alone in one month than have been committed in all Egypt since the famous 9th of September—the day of the supremacy of the Colonels, and yet the English army is not represented as being in a state of insubordination. . . . I assert that there is a National Party, which comprises the whole of the Egyptian nation, of course, excluding the official and fashionable world." [2]

There can be no doubt that the Malets and the Colvins knew all this very well, but having once realised that the British Government wanted intervention, they set to work for this laudable end by all the means in their power. The whole of this episode was an excellent commentary on the "tradition" of the British Government, in its dealings with Egypt, of desiring no "partisan" Ministry, for no sooner did a Ministry come to power which was not to its taste than it began intriguing and working against it by all the means at its disposal.

But British diplomacy was in the meantime also hard at work to give effect to the decision of the Government to bring about military intervention. On February 1, on the eve of the resignation of the Sherif Ministry, Sir Edward Malet, in anticipation of the event, sends to his chief a telegram purporting to give the substance of a conversation which he had with one of the outgoing Ministers.[3] Probably the conversation was wholly imaginary; at any rate, the Minister in question could be no

[1] The harrowing tales of the army's insubordination which were circulated at the time have found an echo in Lord Cromer's book. He tells us of the insubordination of some troops, due to a soldier having been killed by an Italian, and of a regimental band actually refusing to play at the theatre! ("Modern Egypt," Vol. I, p. 210).
[2] "The Times," March 16, 1882. [3] Egypt, No. 5 (1882), p. 78.

other than Sherif himself, an authority of doubtful impartiality.[1] The pith of the conversation was "that the only issue from the situation now is the immediate despatch to Egypt of a Commissioner from the Porte, to be followed by a Turkish force." This was, as we have seen, what Lord Granville had some time ago proposed to the French Government as an alternative to joint occupation, and the coincidence of thought between him and the anonymous Egyptian Minister was truly wonderful. The Minister, according to Sir Edward Malet, said further that "armed intervention on our (British) side could neither be threatened nor effected without the most serious danger to the European population, and a resistance which would lead to prolonged bloodshed. He (the Minister) thinks that by acting with tact and accepting any Ministry the Chamber asks for, we can tide over the moment without public disturbances; but he is of opinion that as the army has again exercised dictatorship (!), there is no hope for the future, unless it be rendered powerless by force."

Immediately on the receipt of this message "from native circles," so strikingly in accord with his own ideas, Lord Granville communicated it to the French Government, asking its opinion. In France, however, Gambetta had just fallen, and the Minister for foreign affairs was M. de Freycinet, who had totally different ideas about the policy which France ought to pursue with regard to Egypt. He thought that the best solution of the Egyptian difficulty would be if none of the Powers were to interfere, leaving Egypt to work out her own destinies. In this he was, no doubt, less guided by the consideration of the interests of Egypt than by the seemingly sound calculation that once left to herself Egypt would never become the possession of England, and that, under the circumstances, was the only thing France really wanted. The mistake,

[1] We find our surmise correct. Lord Cromer (l.c., Vol. I, p. 244) names Sherif as the author of this cryptic utterance.

however, he made was that he thought England would agree to a policy of inaction, and would not, if France were to desist from further interference, interfere alone. This subsequently turned out to have been an illusion, possibly through the fault of M. Freycinet himself, who did not possess sufficient strength to carry out his own policy faithfully.

However, the immediate answer which he gave to Lord Granville, in reply to the latter's invitation of February 2, was to the effect[1] that being fresh to office he was as yet unable to pronounce any definite opinion on the subject, but that on two points he was perfectly certain: "he was much disinclined to any armed intervention in Egypt, either by France and England together, or by either separately; he was also strongly opposed to any intervention on the part of the Porte." In order to emphasise what he meant, he, moreover, asked Lord Lyons to explain to him what was the exact meaning of the reservation which Lord Granville had made when consenting to the Joint Note, namely, that the British Government "must not be considered as committing themselves thereby to any particular mode of action, if action should be found necessary." "It had been argued," said M. Freycinet to Lord Lyons, "that Her Majesty's Government had committed themselves to action on principle, and had only declined to commit themselves beforehand to any particular mode of action." To this Lord Lyons had to give a reassuring reply, stating that the British Government had reserved to itself the right to determine not only the mode of action, if such were to become necessary, but also the question whether in general action was necessary.

It is impossible to say whether Lord Granville understood at the time what new opportunities the changed attitude of France on the question of Egypt suddenly opened to British diplomacy and British "enterprise."

[1] Egypt, No. 5 (1882), p. 81.

It has been stated on good authority that it was about this time that the British War Office first conceived the idea of the invasion of Egypt, and began to draw up a plan of campaign.[1] However that may be, Lord Granville replied to M. Freycinet that he fully understood his difficulty in giving a decided opinion on the subject of Egypt, and assured him, on the strength of a despatch which he had just received from Sir Edward Malet about the programme of the new Ministry, that "Her Majesty's Government do not consider that a case for intervention has at present arisen, since on the part of the Notables and the new Government the intention is avowed to maintain international engagements." He added, however, that "should the necessity arise, it would be their (the Government's) wish that such intervention should represent the united action and authority of Europe. In that event it would also, in their opinion, be right that the Sultan should be a party to any proceedings or discussions that might ensue." And he asked if M. Freycinet would have an objection to inviting the European Powers to express their views on the matter.[2]

M. Freycinet gladly accepted the assurances of Lord Granville, and expressed no objection to the Great Powers being circularised as to whether they would be prepared to agree upon a common policy with regard to Egypt, should a necessity for such arise. "He was strongly opposed," he declared, to Lord Lyons on a subsequent occasion,[3] "to any military intervention . . . and the object of the Great Powers who were to exchange ideas respecting Egypt should be to render forcible intervention unnecessary." And he added that "he hoped that such was also the opinion of Her Majesty's Government."

Of course it was not. But Lord Granville did not think it necessary to enlighten him on the subject, and on

[1] See the account of an interesting conversation of Mr. Blunt (l.c., p. 227) with Lord Wolseley.
[2] Egypt, No. 5 (1882), p. 84. [3] *Ib.*, No. 7 (1882), p. 34.

February 11 a joint circular was sent out to the Powers, on behalf of the two Governments, inviting them to an "exchange of views on the situation in Egypt." The two Governments, stated the circular,[1] did not think that "a case for discussing the expediency of an intervention has at present arisen," but that should such a case arise, "they would wish that any such eventual intervention should represent the united action and authority of Europe," and that "the Sultan should be a party to any proceeding or discussion that may ensue." The Powers, after some lapse of time, all expressed their willingness to take part in such proceedings, should the necessity for them arise.

How little sincere the British Government was with this project of leaving the question of Egypt in the hands of Europe or of the Sultan will be more clearly seen when we come to deal with the bombardment of Alexandria. But even at that time, it must not be forgotten, Sir Edward Malet and his subordinates were working hard to get up a public opinion against the National Ministry and in favour of intervention. A few weeks later, on March 29, Lord Granville himself, oblivious of the fact that the question had now been practically referred to Europe, all of a sudden proposed to M. Freycinet to send to Egypt two "technical advisers" with a view to "assisting" the Ministry in carrying on the administration of the country.[2] To this, however, M. Freycinet properly demurred, saying that "he did not feel that there was any need for him to send a special person to Egypt to furnish him with further reports." The conduct of the French Government was altogether at that time worthy of praise, and stood in direct contrast with the underhand scheming of Lord Granville and his subordinates. Thus on March 11 M. Sienkewicz, the French Consul-General in Cairo, reported to his chief that there was a project on foot for constituting a Ministry from the higher officials or mem-

[1] Egypt, No. 7 (1882), p. 10. [2] *Ib.*, p. 81.

bers of the Chamber, with Arabi at its head, and for the establishment of a State Council on which the European element should be largely represented. It was not stated whose project that was, but in reply M. Freycinet instructed his Agent to refrain from all action respecting the proposed combination, and "while maintaining an attitude of reserve, to act in a friendly manner towards any Government in Egypt which upheld the international engagements and preserved order." M. Freycinet also wanted the British Government to send similar instructions to their Agent, and Lord Granville, "having duly considered the matter," sent a similar injunction against interference to Mr. Cookson, then in charge of the British Agency.[1]

M. Freycinet went even further than that. Knowing well the character and the views of M. Blignières, who had been all along acting as the French Controller-General, he decided to recall him. On hearing of this Lord Granville hastened to utter the hope that this act did not signify any change of policy on the part of France. To this M. Freycinet replied that "the time had now come when it was, in his opinion, desirable to substitute for M. de Blignières a man less accustomed to exercise political influence in Egyptian matters. . . . The intervention," he continued, "of the French Controller in political matters had produced very frequently difficulties in his relations with the Consul-General, and such difficulties might produce very serious evil in the present state of things."[2]

This was a very frank declaration of policy on the part of M. Freycinet, and had the British Government acted in a similar spirit, subsequent events would have turned out differently. As it was, the British Government took no notice of the hint conveyed in M. Freycinet's words, and both Sir Auckland Colvin and Sir Edward Malet continued their efforts to bring about intervention. British diplomacy was thereby, no doubt, placed in a rather awkward

[1] Egypt, No. 7 (1882), pp. 58, 62. [2] *Ib.*, p. 62.

position, since with the frank declaration of neutrality on the part of France it became patent to the whole world who really was the aggressor. It might have been hoped —and M. Freycinet, no doubt, did hope—that such being the case, Europe would not permit England to accomplish her secret designs. Unfortunately it turned out otherwise. England soon found opportunity to get out of her isolation and deceive not only France, but the whole of Europe.

CHAPTER XII

DIPLOMATISTS AS AGENTS-PROVOCATEURS

THE opportunity which Lord Granville and his agents at Cairo were awaiting as a pretext for active aggression came at the end of April in the shape of a plot discovered by the Egyptian Government among some of the officers of the army against Arabi and his colleagues. It will be remembered that a large number of promotions took place during the couple of months while Arabi had been in office. It was asserted at the time by the adherents of the Ministry that the promotions had become necessary in consequence of the operation of the new military law, which required the placing on the retired list of officers attaining a certain age.[1] No doubt, this was perfectly correct so far as the formal law went. It may, however, be assumed that the desire to clear the army of the untrustworthy elements, in the shape of opponents of the Nationalist régime, mostly of the Circassian and Turkish races, also played a not inconsiderable part in the dismissal of the old, and the promotion of the new, officers. That this was a perfectly legitimate proceeding no one, after the experience of France at the time of the Dreyfus affair, or in view of the recent proceedings of the new Turkish Government, will deny. In the case of Egypt, however, the view taken by the official representatives of the British Government was, as we have seen, different, and the promotions were represented by them as acts of military arbitrariness and proofs of the growing anarchy.

[1] See Sheikh Mahommed Abdu's letter to Mr. Blunt ("Secret History," p. 250).

There can be no doubt that this attitude contributed to a considerable extent to the fomenting of unrest among the discharged officers, who felt behind them the force of the representatives of Europe, and encouraged them in the hope that if they succeeded in effecting a *coup d'état* by overthrowing the Nationalist régime they would earn nothing but the gratitude of the Powers.

The plot is said [1] to have been engineered by the agents of Ismail Pasha, who was then living at Naples, but whose secretary, Ratib Pasha, had come to Egypt some little time before. Ratib was the son-in-law of Sherif Pasha, and it is at the latter's house that the conspiracy seems to have been hatched. The idea was to kill Arabi and some of his friends, and to proclaim the restoration of the Absolutist régime; but before it could be carried out the secret was betrayed by one of the conspirators, with the result that a large number of officers, all belonging to the Circassian race, and including Osman Rifki, the ex-Minister of War, were arrested, tried by a court-martial, and sentenced to degradation and banishment to the White Nile. The story was subsequently got up, transmitted by the Correspondent of "The Times" to his journal, and even mentioned by Sir Edward Malet in his official report, that the condemned, while in prison, were visited by Arabi and put by him to the cruellest torture.[2] Needless to say, this was pure fabrication on a par with the similar stories about the atrocities by President Kruger, which were hawked about in our own time by the Yellow Press.

The plot had been discovered on April 11, and the sentences were pronounced on May 2. Between those two dates Sir Edward Malet decided that the affair could well be made the occasion for the overthrow of the hated Ministry and, if necessary, a pretext for intervention. Hitherto all interference on his part and that of his colleagues in the internal affairs of Egypt had proceeded on the formal ground of international agreements. Now this

[1] Blunt, l.c., p. 252. [2] *Ib.*, p. 255.

plea was to be openly discarded and another plea entered—that of "humanity" and "justice." The arrests and sentences were acts of political vengeance; the trial was held with closed doors; and the Khedive, having read the evidence, had come to the conclusion that "it did not clearly prove more than their [the condemned's] intention to petition, and that their design to assassinate is not proved."[1] The Khedive, therefore, was not to confirm the sentences, but to order a new trial. Such was Sir Edward Malet's advice, advice which was both a glaring act of intrusion and totally unwarranted by the legal situation. All court-martials in Egypt, even under the Dual Control, had been secret, and the Khedive had the less right to interfere with their findings as there was no appeal from them. All he could do was to exercise his royal prerogative and commute the sentences, after having confirmed them. That was precisely what Sir Edward Malet's colleague, M. Sienkewicz, advised Tewfik Pasha to do. But that did not answer Sir Edward Malet's purposes. He wanted to create a quarrel between the Khedive and his constitutional Ministers, and insisted that the sentences should be quashed. As the Khedive appeared to waver, knowing full well that his act would be taken by the Ministers as a direct challenge to them, Sir Edward Malet advised him to consult the representatives of the other four European Powers; but the latter, with the exception of the representative of Italy, having refused to give their advice, the Khedive, on the prompting of Sir Edward Malet, referred the whole matter to the Porte.

This was a mistake on Sir Edward Malet's part. The Porte had no *locus standi* in the matter, except that Osman Rifki had the Turkish title of Ferik (Field-Marshal), and therefore could not formally be deprived of it without the

[1] Egypt, No. 7 (1882). All the facts relating to this so-called Circassian plot, which are mentioned in the text, will be found in this parliamentary paper. The reader, however, will do well to peruse the highly interesting Chapter XI in Mr. Blunt's book, in which many additional details are given.

consent of the Sultan. Moreover, to call in the Porte at this juncture meant a political diversion which could scarcely be to the taste of the two Powers and, above all, of France. The result was that Lord Granville himself thought it advisable to instruct his over-zealous agent "to act as far as possible in concert with the French Consul-General," that is, to desist from his original plan and to permit the Khedive to sanction the sentences with a view to immediate commutation. This disavowal must have had a very bad effect on Sir Edward Malet, whose schemes were thus destroyed at one stroke,—the more so because the Ministers themselves, anxious to close an incident which threatened such complications, presented on May 6 a petition to the Khedive, in the capacity of his constitutional advisers, praying him, in virtue of his royal prerogative, to commute the sentences of the court-martial to simple banishment from Egypt, without degradation in rank or deprivation of orders, but with the removal of the names of the condemned from the rolls of the Egyptian army. This was a distinct bid for reconciliation and an acknowledgment, on the part of the Ministers, of their defeat. It meant, however, at the same time the close of Sir Edward Malet's little game of diplomacy, and to that he could not so easily reconcile himself.

Accordingly, instead of giving effect straight away to the instructions which he had just received from his chief, he all of a sudden became seized with doubts as to what he should advise the Khedive to do, and asked Lord Granville for further instructions. At the same time he added the following beautiful reflexion: "I venture to observe that in considering the form in which the sentence of the court-martial should be dealt with by the Khedive, the bearing of the general situation should be taken into account. It should be remembered that the present Ministry is distinctly hitherto bent (*sic*) upon diminishing the Anglo-French protection" (the Control has become a protection!), "and that, as a matter of fact, our influence

is daily decreasing. It will not be possible for us to regain our ascendancy" (not to restore the authority of the Khedive, then!) "until the military supremacy which at present weighs upon the country is broken. . . . I believe that some complication of an acute nature must supervene before any satisfactory solution of the Egyptian question can be attained, and that it would be wiser to hasten it than to endeavour to retard it." [1]

It certainly does not redound to the credit of Lord Granville's "statesmanship" that he had allowed this remarkable message of Sir Edward Malet to be printed among the papers which he presented in 1882 to the House.[2] In these words Sir Edward Malet has simply given away, as the phrase goes, the whole show. Not the authority of the Khedive, nor the Firmans of the Sultan, as had been asserted both before and after, was the concern of those who kept constantly interfering with the affairs of Egypt, and ultimately brought about the occupation of the country, but "our ascendancy" and "our influence," which had been impaired to such an extent by the "military supremacy." And the latter sentence shows distinctly the nefarious game in which Sir Edward Malet had been engaged ever since he understood that the British Government were in favour of intervention—it was to "hasten" the advent of "some complication of an acute nature," such as might have been artificially got up over the sentences in the Circassian plot.[3]

[1] Egypt, *ib.*, p. 107.

[2] Lord Cromer acted more wisely than his chief—the despatch will not be found in his book.

[3] At a subsequent date, after the bombardment of Alexandria, Lord Salisbury rightly traced the crisis to this intrigue of Sir Edward Malet. "The determining cause," he said, 'of the crisis was the trial of the Circassian officers. I have no doubt that the Circassian officers were innocent . . . but that is not a matter in which we should usually interfere between an Eastern sovereign and his subjects" (Hansard, "Parl. Debates," Vol. 272, 1882, p. 1500). The subsequent fate of these "innocent" officers deserves recording. On May 20 they left Egypt. "The firmness of the Khedive," reported Sir Edward Malet, "has reduced their sentence to a minimum, and will enable His Highness, if he becomes again a free agent, with a Ministry imbued with the sentiments of justice, to restore them to their families and their homes" (Egypt, No. 8 (1882), p. 46). On May 30 Lord Dufferin informs his chief that the officers had arrived at Constantinople, and were lodged at Government's expense (Egypt, No. 1 (1882), p. 16). On July 25, af te the bombardment, the officers returned to Egypt.

Lord Granville, however, though he must have well understood the hint, could not go back upon his previous decision, and he and M. Freycinet repeated their instructions to accept the compromise. In despair, Sir Edward Malet decided upon a new stroke. He persuaded the Khedive to commute the sentences to simple banishment without the removal of the names of the condemned from the rolls, and knowing well the timidity of Tewfik, locked the door against all would-be comers, and stayed with M. Sienkewicz, closeted with the Khedive, until the latter signed the document. It was really the act of an *agent-provocateur*. It was a most impudent affront to the Ministers, especially to Arabi, the man responsible for the army, and an intervention which might confidently be reckoned into sending the whole Ministry into a rage. That turned out to be exactly the case. The Ministry immediately demanded that the decree should be withdrawn, and that another, in accordance with the petition, should be issued. But Sir Edward Malet knew that he had the bird safely in the net, and advised the Khedive not to yield. The Ministers now saw that all efforts at conciliation had been in vain, and that the moment to decide between them, as representing the nation, and the Khedive, as representing the foreign intruders, had come. Here was a case when, had Egypt really represented at the time, as was alleged, a military dictatorship, the interference of the army would have been perfectly justified. Rebellion is the last resort of oppressed citizens, and there can be no doubt that had the army taken the initiative similar to that on September 9, and proclaimed the deposition of Tewfik, its action would have been en-

dorsed by the Egyptian people. But it was just because military dictatorship was a complete myth invented by those who were anxious to "hasten" on complications, that the Ministry, including Arabi, decided on calling together the Chamber and on referring the entire case as between them and the Khedive to its tribunal. "The Khedive," they declared, "has acted in a way to diminish the autonomy of Egypt, and on many occasions, without consulting his Ministers." They also decided to hold no further intercourse with the Khedive pending the decision of the Chamber, while at the same time guaranteeing him his personal safety as well as public security in general.

Sir Edward Malet must have felt very proud at the time. By a most unscrupulous stroke of diplomatic wire-pulling he had succeeded in provoking the Ministers to an open revolt against the Khedive—a revolt which could easily be represented to the outside public, ignorant of the secret machinations which had preceded it, as a piece of downright anarchy. Was not the convocation of the Chamber on the Ministers' own authority a breach of the Organic Law which required the Khedive's sanction for such an act? And was it not the duty of the Cabinet, as soon as it had found itself in opposition to the Khedive, to tender its resignation? There were many people who argued thus at the time, and none so insistently as Sir Edward Malet, the arch-plotter, himself. But this was the talk of men who either did not know anything or knew too much. It would have been an act of treason on the part of the Ministry to have stuck to constitutional legalities at the time when the enemy was plotting the overthrow of all constitution—they would have simply played into the hands of Malet and his fellow-conspirators, and given them the desired victory without a struggle.

The rupture between the Ministers and the Khedive naturally created great alarm both in England and in France. It was expected that the Chamber would immediately pronounce the deposition of the Khedive, and a situation

might arise which would spell danger not only to his life, but also to the lives of many Europeans, including the diplomatic representatives of the Powers themselves. Sir Edward Malet expressly wrote that "the guarantee given by the Ministers of the safety of the Khedive and of Europeans can hardly be relied upon as a solid one,"[1] and he mentioned the fact that "there was considerable uneasiness everywhere and many persons were leaving." The decisive moment was evidently approaching when some action was to be taken by the two Western Powers. Public opinion in France got very excited and demanded intervention. Nevertheless, M. Freycinet continued to keep his head cool. On May 7 he telegraphed to Sienkewicz asking him to be careful in his conduct, to act, wherever possible, together with Malet, to refer to Paris, in case of disagreement with his colleague, and to side with the Khedive, "who is the sole legal authority—conducting yourself, however, with tact and circumspection necessary to avoid causing or aggravating conflicts in the heart of the Government."[2] This was something different from what Lord Granville was at that very moment permitting his agent to do. Simultaneously, on hearing that the case of the Circassian conspirators had been referred by the Khedive to the Sultan, M. Freycinet entered a protest against the Porte's interference, demanding that Lord Granville should also openly declare against it. "In not at once declaring resolutely against any Turkish intervention," he told Lord Lyons, "Her Majesty's Government were rendering such intervention inevitable."[3]

Nevertheless, M. Freycinet must have felt that he would not be able to preserve a purely negative attitude for very much longer, and that he would soon have to choose between an Anglo-French intervention, already demanded by the section of French public opinion which was led by Gambetta, and the intervention of the Sultan. In fact, Lord Granville was already pressing him to adopt one of

[1] Egypt, No. 7 (1882), p. 117. [2] *Ib.*, p. 107. [3] *Ib.*, p. 109.

the two alternatives. Replying on May 8 to the above remonstrance of M. Freycinet, Lord Granville, while disclaiming any special predilection for Turkish intervention, ominously added: "But we wish to hold ourselves free, if the necessity arose, to consider all possible forms of intervention and to choose that which was accompanied by the fewest inconveniences and risks."[1] This was tantamount to a declaration that England would no longer be guided by the wishes of the French Government should the latter decide to persevere in its policy of non-interference, and would, if necessary, act by herself. Indeed, three days later Lord Granville, reverting to a suggestion which "had occurred to him" once at the beginning of the crisis, proposes to M. Freycinet to ask the Porte to send over to Egypt a general "with full power to restore discipline in the Egyptian army," this general to be accompanied by two other generals, one English and one French, to whose advice he should be subject, the whole mission to be backed up by a threat of Turkish intervention.[2] M. Freycinet at once saw that there was no escape from the dilemma of either accepting Turkish intervention or effecting some joint action by England and France, and he decided upon the latter as the lesser evil of the two. The French Radicals of the period blamed him a good deal for this recession from his previous position and reversion to what appeared very much like Gambetta's policy. There is no doubt that subsequent events have justified them. M. Freycinet's reversal of policy did not save either French interests or Egypt, and in the end he had himself to return back to his original position. Nevertheless, it was at the time permissible for M. Freycinet to hope that as intervention on the part of England, whether open or in the disguise of Turkish intervention, was inevitable, since her whole diplomacy had consciously worked for that end, France, by joining her, might yet succeed in giving the joint action a comparatively harm-

[1] Egypt, *ib.*, p. 110. [2] *Ib.*, p. 119.

less form. This, M. Freycinet thought, would constitute the essential difference between his policy and that of Gambetta, who had actually aimed at an Anglo-French occupation.[1]

The "comparatively harmless form" which M. Freycinet designed for the Anglo-French intervention was the despatch by the two Powers of three warships each to Alexandria, ostensibly on the pretext of safeguarding the lives of their respective subjects, but in reality with a view to intimidating the Egyptian Ministry into submission, and thereby ending the crisis and rendering further action unnecessary. M. Freycinet, of course, knew very well the rights and wrongs of the dispute between the Khedive and his Ministers, and inwardly, no doubt, sympathised with the latter. But here was a case when the right side had to be sacrificed in order to avert greater dangers. On May 12, therefore, replying to Lord Granville's suggestion for the despatch of three generals, M. Freycinet proposed instead to send ships to Alexandria. The Khedive, he said, would thereby be strengthened in his attitude, and intervention by Turkey would become unnecessary. Of course, there was still the contingency that this action would prove inadequate and that the two Governments might find it advisable to land troops. Should it come, however, to this, he was prepared that "Turkish forces should be summoned to Egypt and operated there under English and French control for an object and on conditions which France and England should have themselves de-

[1] "We are, and have always been, concerned about two things," declared M. Freycinet in the French Chamber on May 11, 1882, "first to preserve for France her special position, her privileged, and justly privileged position in Egypt; to this must be added—and this is the second part of the object of our policy—that we wish to maintain the independence of Egypt as it has been established by the Firmans recognised by the European Powers. We shall not tolerate, in so far as it will depend on our action, any attempt on these Firmans. We shall not tolerate that from any crisis that may occur Egypt should emerge less free and less independent than she is to-day" (Egypt, No. 7 (1882), p. 125).

fined." In no case, he added, would he agree that either French or English troops should be employed.[1]

In the despatch in which Lord Lyons reported this proposal it is not stated in what connexion the latter suggestion was made by M. Freycinet; there can be no doubt, however, that it was not made by M. Freycinet spontaneously, but in reply to a question by Lord Lyons as to what would be the result if the despatch of warships should prove ineffective. Lord Granville, on his part, while accepting the suggestion concerning the naval demonstration, was apparently but little elated at the rejection of his scheme for immediate Turkish intervention, and proposed that the Porte might at least be informed "in guarded language that it is not improbable that further propositions may be made hereafter" to it. M. Freycinet, however, had no desire to commit himself to a course of action which he merely regarded as problematical and essentially undesirable, and did not agree to Lord Granville's proposal.

Three ships were then ordered by each Government to proceed immediately to Alexandria. In this connexion it is necessary to recall an incident which throws a further light on the policy of Sir Edward Malet and his chief. It will be remembered that on two distinct occasions Sir Edward Malet had warned Lord Granville against any but Turkish intervention on the plea that between the announcement of such intervention and the arrival of the troops the lives of the Europeans would be gravely endangered.[2] M. Freycinet, too, before making his proposal, had inquired of his representative at Cairo whether the despatch of a fleet would be likely to place British and French citizens in danger in Egypt. It is not directly known what M. Sienkewicz replied to this inquiry; but on Lord Granville making a similar inquiry of Sir Edward Malet, the latter replied by the following telegram:[3] "I

[1] Egypt, No. 7 (1882), p. 128. [2] See *supra*, pp. 162, 170.
[3] Egypt, No. 7 (1882), p. 132.

have the honour to inform your Lordship that my French colleague and I think that the political advantage of the arrival of the combined squadron at Alexandria is so great as to override in consideration the danger which it might possibly cause to Europeans in Cairo." Apart from the question whether M. Sienkewicz really concurred in the view put forward by his English colleague, the message stands as a revelation of Sir Edward Malet's humanity and policy. The telegram, of course, was never intended to see the light, and it is another great mistake of Lord Granville's "statesmanship" that he subsequently published it.[1] The more clearly, however, it shows that all the previous alarm about the dangers which the Europeans were running in consequence of the "military supremacy" were so much insincere talk, intended only to bring about an armed intervention. Either those alarms had been false—then we have a measure of Sir Edward Malet's diplomacy, or they had been well-founded—then we have a measure of his humanity. In either case Sir Edward Malet stands condemned by his own words as a diplomatic intriguer of the worst sort.

But Lord Granville was only a shade better. To have concurred in the view that human lives, about whose danger so much had been written both in despatches and the Press, need not be considered when political advantages and the interests of the bondholders were at stake, was bad enough in all conscience. But what have we to think of a Minister of England who having once decided to sacrifice the lives of British citizens, at the same time sends instructions to his agent to tell the Egyptian Ministers, and above all Arabi, that they would be personally responsible for any disturbance of order? Yet this is what Lord Granville did on May 14, the same day when he had received that famous telegram of Sir Edward Malet. Not content with deliberately choosing a mode of

[1] In this case, too, Lord Cromer acted more wisely than his former chief, and suppressed the compromising telegram.

action which was certain to imperil the lives of the Europeans, Lord Granville at the same time warned those against whom that action was directed that they would have to answer for those lives! Arabi naturally replied that "he would guarantee public order and the safety of the Khedive so long as he remained Minister, but in the event of an Anglo-French squadron arriving he could not guarantee public safety."[1] This declaration was, of course, not accepted, and when Europeans, a few weeks later, did lose their lives through disturbances which had not even been provoked by the Nationalists, Arabi and his friends were made to bear the responsibility for it. Such were the ways of justice and morality which were pursued by the Granville-Malet diplomacy.

In the meantime, however, the Notables were already assembled and were anxiously discussing the situation. The feeling against the Khedive was running very high, and there can be no doubt that but for the fear of retaliation on the part of the two Powers Tewfik would have been deposed. As it was, many Notables were reluctant to take this step, and the councils were divided.[2] Sultan Pasha, the President of the Chamber, went over completely to the enemy and schemed for the overthrow of the Ministry. Others, again, were in favour of making one more attempt at reconciliation and at allaying the crisis by some concessions. On May 15 arrived the French squadron, and on the same day Lord Granville telegraphed to Sir Edward Malet to the effect that, in addition to the naval demonstration, "we reserve to ourselves to employ such other means as we may deem necessary to make order respected, and to maintain the authority of the Khedive."[3] Arabi and his friends decided to follow the advice of those who were in favour of making one more attempt at reconciliation,[4] and went *in corpore* to the Khedive and "made

[1] Egypt, No. 7 (1882), p. 140. [2] Blunt, l.c., pp. 268–9.
[3] Egypt, No. 7 (1882), p. 136.
[4] On May 13 Mr. Blunt sent to Arabi a telegram, entreating him to have patience and to delay action against the Khedive (Blunt, l.c., p. 267).

complete submission." They also went to Malet and assured him that they would do everything in their power to ensure public tranquillity.[1] It was a very melancholy, and perhaps undignified spectacle, this "complete submission"; the worst, however, was that it was wholly gratuitous. Sir Edward Malet would not allow the Khedive to accept the assurances of loyalty proffered by the Ministers, and neither Lord Granville nor even M. Freycinet, who was anxious to make a definite end of the crisis, were satisfied. The latter immediately wrote to Sienkewicz, saying that the Khedive should take advantage of the arrival of the fleet in order to dismiss the Ministry and appoint another—say, under Sherif—in its place. A general amnesty could then be issued, and Arabi and his friends would only be deprived of their posts, though not their military ranks. Lord Granville repeated the same instructions to Sir Edward Malet, adding, with a characteristic twist, that he should not say anything "which will prevent ordering them Arabi and his colleagues to leave the country if desired by the incoming Ministry."[2]

Accordingly, Sir Edward Malet set out to get Mahmud Sami Arabi and three other "dangerous" generals to agree of their own accord to leave Egypt in exchange for a pension and the preservation of their ranks. M. Monge, of the French Consulate, who knew Arabic, was to undertake the delicate mission of offering Arabi and his friends this way of settling the crisis. M. Monge, however, refused. Sultan Pasha was then entrusted with the inspiring task, but the result was disastrous—Arabi would not even listen to the proposal. Sir Edward Malet then suggested to Lord Granville that he and his French colleague might be empowered to make an official demand for the Sami Ministry to resign office, on the condition, however, that he might be "in a position to declare what would be the consequences of a refusal." The Ministers and the public, he said, "persist in the belief that the two

[1] Egypt, No. 7 (1882), p. 143. [2] *Ib.*, No. 8 (1882), p. 7.

Powers would not despatch troops, and that the opposition of France renders a Turkish intervention impossible." [1] This meant throwing off the mask and coming out in the open. Nevertheless, Lord Granville agreed. On May 25 the two Consuls-General presented an Identical Note demanding the resignation of the Ministry, the departure of Arabi from Egypt, and the withdrawal to the interior of the two other Nationalist generals, Ali Fehmi and Abdul Al. This was the fulfilment of Lord Granville's assurances that England desired no partisan Ministry, and at the same time constituted the crowning success of Sir Edward Malet's diplomacy.

The Ministry, in the face of this *force majeure*, had no option but to resign. On the following day they sent in their resignation, protesting at the same time that by allowing interference on the part of foreign Powers the Khedive was infringing the sovereign rights of the Sultan. But the Khedive, instructed by Malet, only replied that he was acting in accordance with "the will of the nation," and would know how to answer before the Sultan. Immediately circulars were sent to the provincial Governors informing them of the fall of the Ministry and ordering them to keep watch over public order. They were at the same time requested to inform the reserves that their services would no longer be required, and to stop further recruiting. The foreign squadrons, they were assured, "have come with a friendly object." These measures, however, were taken in too great haste. No sooner did the news reach Alexandria than the garrison and the police got into a feverish excitement and immediately sent word to the Khedive that if the Ministry were not reinstated within twelve hours they would no longer be responsible for public tranquillity. The remonstrance was at once caught up by the Cairo community, and on the next day a deputation, consisting of the chiefs of various religions—the Ulema, the Patriarch, and the Jewish Rabbi—waited

[1] Egypt, No. 8 (1882), pp. 28–9.

upon the Khedive and demanded the immediate reinstatement of Arabi and his colleagues. This was a totally unexpected manifestation of the "will of the nation," and when Sultan Pasha himself, frightened almost to death, came running to the Khedive and imploring him to take back the Ministry, as otherwise his life was not safe, Tewfik and his good councillors had to yield. The Ministry was reinstated, and orders were at once sent to the provinces cancelling the previous measures of disarmament.[1]

The whole of this tragi-comedy only lasted three days, but it sufficed to demonstrate what the real national sentiments of Egypt were. The haste with which the orders had been issued to the provincial Governors to stop all defence measures also showed the reason of the hatred with which Arabi and his colleagues were regarded by the British diplomatists: so long as they stood at the head of affairs it was not likely that Egypt would fall an easy prey to the aggressionists.

[1] All the above facts will be found in Egypt, No. 8 (1882), pp. 38–49.

CHAPTER XIII

THE "POGROM" AT ALEXANDRIA

THE failure to get rid of the Sami Ministry must have been a bitter pill to Sir Edward Malet, and had he been possessed of any sense of dignity he would then have resigned. But, of course, the question with him was not that of dignity, but of bringing about an armed intervention, and if one diplomatic move proved unavailable, others might be tried with better success. The rebuff which he had sustained only served to increase his zest. The reinstatement of the Ministry, he reported to his chief on May 30, "is looked upon by the natives as a sign that the Christians are going to be expelled from Egypt, that they are to recover the land bought by Europeans or mortgaged to them, and that the National Debt will be cancelled." [1] His friend, Mr. Cookson, the Consul at Alexandria, also wrote in a similar alarming strain, and transmitted a petition from some English merchants, asking for "efficient means for the protection of their lives." [2] On the following day Sir Edward Malet wrote again, representing the whole of the European population to be in a state of terrible panic, and asking for the reinforcement of the fleet. The latter desire was immediately fulfilled, but it was clearly insufficient. Panic or no panic—and Lord Granville was experienced enough to know that the stories reported to him by his subordinate were sheer humbug—the question was how to give effect to the threats with which on May 25 Sir Edward Malet had accompanied his formal demand for the dis-

[1] Egypt, No. 8 (1882), p. 55. [2] *Ib.*, p. 54.

missal of the Sami Ministry. Here, however, was a difficulty. The Sultan, on hearing of the despatch of the combined squadrons to Alexandria, at once entered his protest against this infringement of his sovereign rights. He was about to send a commissioner himself at the request of the Khedive, and it seemed to him a contradiction "to declare, on the one hand, that the Sultan's rights of sovereignty should not be attacked, and on the other hand, to forbid him all interference." [1] Lord Granville, however, assured him that the despatch of the fleets was not intended as an act of usurpation, and that "if any act became necessary involving an exercise of sovereign power, it would be to the Porte that we would apply." [2] Also the Great Powers were informed by a circular note, explaining that the despatch of the war-ships was "not to make a selfish and exclusive policy prevail, but to secure without distinction of nationality the interests in that country of the several European Powers, and to maintain the authority of the Khedive." They (the British Government), continued the Note, "have never proposed to land troops or to resort to a military occupation of the country. Her Majesty's Government intend, when calm has again been restored and the future secured, to leave Egypt to herself and to recall the squadron. If, contrary to their expectations, a pacific solution cannot be obtained, they will concert with the Powers and with Turkey on the measures which shall have appeared to them and the French Government to be the best." [3]

In the light of the acts of the British Government, both past and still to come, this hypocritical Note is of great significance. The Note was sent out on May 23, and we have seen that already on May 8 and 11 Lord Granville was proposing to threaten the Egyptian Government with armed intervention, and negotiating with M. Freycinet for the landing of Turkish troops. We shall subsequently also see how the pledge to concert with the

[1] Egypt, No. 8 (1882), p. 5. [2] *Ib.*, p. 17. [3] *Ib.*, p. 27.

Powers and Turkey on active measures were carried out when the time came to open hostilities, and, later on, to invade Egypt with troops.

But while making to the Powers these empty promises Lord Granville at the same time was urging upon France the plan of sending Turkish troops under the control of the two Powers as specified above. On May 24 he made to M. Freycinet a formal proposal to that effect, and not receiving any answer, repeated the suggestion three days later. M. Freycinet then gave a rather impolite reply. Referring to the announced resignation of the Sami Ministry he declared that there was no reason to interfere at that particular moment. "It appears impossible to M. Freycinet," wrote M. Tissot, the French Ambassador in London, to Lord Granville, on behalf of his chief, "that you should not be struck with the justice of this consideration, and that . . . you should not yourself, my dear Lord, recognise the uselessness of the step which you at first proposed to him."[1] Thereupon Lord Granville got angry. So-called public opinion in England had long been irritated at what they called subservience to France, and was in favour of independent action. "If Egypt," wrote "The Times,"[2] "is not reorganised with a regard to our interests, it will assuredly be so moulded as to promote interests antagonistic to ours." Lord Granville then decided to take action himself. On May 28, on the day of the reinstatement of the Ministry, he instructs Lord Dufferin to advise the Sultan to take the part of the Khedive and to summon to Constantinople the three Nationalist generals, including Arabi, as well as Sami himself, and at the same time he writes to Sir Edward Malet, to advise the Khedive to ask for a Turkish Commissioner to "safeguard his life." He then informed M. Freycinet of the *fait accompli*.[3]

The long-contemplated step was thus taken, and now

[1] Egypt, No. 8 (1882), p. 37. [2] May 15, 1882.
[3] Egypt, No. 8 (1882), p. 42.

it was for France either to join in it, or to break away from the policy of co-operation with England. The latter meant not only serious danger to Egypt, but also to France, while the former meant the irretrievable committal of France to a policy of armed intervention. As on the occasion of the despatch of the fleets and probably for the same reasons, M. Freycinet, after consulting his colleagues, decided for the former alternative. Whatever the risk of agreeing to the intervention of Turkey might have been, there was still a chance that by accompanying England at every step the ultimate catastrophe might yet be averted. Accordingly, on May 29 instructions similar to those issued by Lord Granville were also issued by M. Freycinet to the French Ambassador at Constantinople and M. Sienkewicz, but at the same time he also proposed to Lord Granville to call together, in accordance with recent pledges, a European conference.

The news that the Sultan had been invited both by the two Powers and the Khedive to intervene in the dispute between the latter and the nation brought the ferment at Cairo to a veritable storm. Arabi frankly declared that he would not obey the orders of the Sultan, and would resist all attempts at invasion with force. The Ulema and the Notables, with only a few exceptions, rallied to the side of the Ministry, and openly demanded the deposition of Tewfik. The chief Sheikh of the great Azhar University issued a "fetwa," showing that the Khedive, having sold the country to foreigners, was no longer fit to reign, and the whole University supported him. Orators went down to Alexandria and harangued crowds of 10,000 persons in favour of the national cause, and when the Turkish Commissioner, Dervish Pasha, arrived on June 7, the principal Sheikhs of the Azhar, accompanied by twenty-two Notables, waited on him with a petition signed by 10,000 persons, asking him to take the side of the nation as against the Powers, and to depose Tewfik. Similar petitions were signed and

sent in from all over the country, and women and little children were running about in the streets demanding the rejection of the demands of the Powers.[1]

The Turkish mission, from the point of view of the mischief-makers, proved a ghastly failure. Dervish Pasha was one of the most unscrupulous men of the Sultan's entourage, and it was expected of him that he would be able either to intimidate Arabi and his colleagues into agreeing to resign their posts and proceed into voluntary exile to Constantinople, or else dispose of them in that fashion which once on a memorable occasion had been proposed to the Khedive by Sir Auckland Colvin.[2] In order to make him more pliable, the Khedive presented him with an enormous backsheesh of £50,000.[3] But Dervish Pasha was apparently no fool. He accepted the present, and spoke a few alarming words to Arabi and to the Ulema. He saw, however, that there was something more than the "military insubordination" which he had been called upon to suppress, and his brave soul shrank from such deeds as had been expected of him. On Saturday, June 10, he decided to call for Monday a meeting of the Consuls and the Khedive to consider the situation, telling Arabi in the meantime that he must be prepared to resign his post.

On the intervening Sunday, however, something happened which made short work of all the schemes connected with the mission of Dervish Pasha. On that day a massacre of Christians took place at Alexandria, organised by the Khedive and the Civil Governor, Omar Lutfi Pasha, and carried out by paid hooligans and the police—a veritable prototype of the organised Jewish "pogroms" of our own time.[4]

[1] A full account of this critical period will be found in Blunt's "Secret History," pp. 305 and following.

[2] Mr. Blunt, l.c., pp. 302–3, brings interesting quotations from "Pall Mall Gazette," then edited by Mr. (now Lord) Morley, to illustrate these hidden motives of Dervish Pasha's mission.

[3] Blunt, l.c., p. 307.

[4] For a full account of the Alexandrian riot see Blunt, l.c., pp. 310–15, and particularly the Appendix II, pp. 497–534, where all available evidence is collected. Lord Cromer ("Modern Egypt," Vol. I, p. 287) says in a note: "After a careful examination of all the facts, I have come to the conclusion that this evidence is altogether valueless. It is unnecessary that I should give my reasons at length." Perhaps, "inconvenient" would have been a better word than "unnecessary."

The Khedive knew well what a godsend a little riot would be to British diplomacy which did not cease predicting the direst misfortunes to the Europeans, if the "anarchy" encouraged by the "military" domination of the Sami-Arabi party was allowed to continue. As late as May 31 Sir Edward Malet reported to Lord Granville that "a collision might at any moment occur between the Moslems and the Christians."[1] As a result, we have seen, the fleets were strengthened. The Khedive, however, with or without the knowledge of his European counsellors, decided that that desired event, if not forthcoming by itself, might be accelerated by some clever engineering. In Cairo itself the thing might be too dangerous. Arabi and his friends were on the spot, and there was also the army which could suppress the riot within the twinkling of an eye. At Alexandria the thing was different. The Civil Governor was Omar Lutfi Pasha, at one time professing Nationalist sympathies, who during the one day's interregnum after the resignation of the Sami Ministry had been designated by the Khedive for the post of Minister of War, and who, therefore, had every interest in assisting to encompass the fall of Arabi. As the chief of the city he, moreover, could prevent the garrison from interfering with the rioters by simply not calling it out, and could easily arrange that no messages should leave the Alexandria telegraph offices for the Ministry. Accordingly, on June 3 the Khedive put himself into communication with him by means of a cipher telegram, saying: "Arabi has guaranteed public safety and published it in the newspapers, and has made himself responsible to the Consuls; and if he succeeds in his

[1] Egypt, No. 8 (1882), p. 60.

guarantee the Powers will trust him, and our consideration will be lost. Also the fleets of the Powers are in Alexandrian waters, and men's minds are excited, and quarrels are not far off between Europeans and others. Now, therefore, choose for yourself whether you will serve Arabi in his guarantee, or whether you will serve us." It is not known whether this telegram was one of a series or really initiated the business. At any rate, it led to further pourparlers through the medium of Tewfik's cousin, Haidar Pasha, who went several times to Alexandria and back as bearer of messages between the two conspirators, and on June 9 Omar Lutfi came himself to Cairo to concert upon the plot personally. It was probably at that meeting that the riot was finally fixed for next Sunday, June 11, but all the needful preparations had already been made beforehand. A band of hired Bedouins had been introduced into the city and armed with "nabouts" (thick staves), and the police received secret orders to look on and not to interfere.

The "riot" began at about one o'clock and lasted till about five. A Maltese donkey-driver quarrelled with a Moslem, a crowd assembled, some shots were fired from a house inhabited by Maltese, the Bedouins appeared on the scene, and after a general mêlée the riot developed into a massacre of Europeans, in which several hundred lost their lives and as many were wounded, including Mr. Cookson and some other Consuls. All this time the police either did nothing or took part in the massacres, while Omar Lutfi monopolised the telegraph for his communication with the Khedive. The Commandant of the garrison, Suliman Sami, was not informed of the riot until after four o'clock, and even then he was merely ordered to bring the troops unarmed. He, however, took the law into his own hand, and, appearing at five, soon quelled the "pogrom."

As we have remarked above, for a replica to this diabolical plot and bloodshed we must go to contemporary

Russia, to the kingdom of Krushevan and other leaders of the "Black Hundreds." Not the least astounding thing about the affair was that an attempt was afterwards made actually to implicate Arabi in it, the man who had suffered from it most. It was said that Arabi engineered the whole plot, that it was he who had ordered the massacres and given the orders to the garrison not to interfere with them. The charge, however, lamentably broke down as soon as it was perceived that too much probing into the matter might bring to light the real authors of the unparalleled outrage. Even as it was, the secret soon leaked out, thanks to the efforts of Mr. Blunt, and Lord Randolph Churchill brought the whole matter before Parliament in 1883.[1]

At the time, however, nothing was known of the real mysteries of the affair. Arabi himself did not suspect anything, and Omar Lutfi, who as the Governor of Alexandria had been, at any rate, legally responsible for the riots, was not only allowed to remain at his post, but was actually appointed President of the Commission of Inquiry instituted into the matter. Afterwards Omar Lutfi received leave of absence, but remained in Egypt till the war broke out, on the conclusion of which he was made Minister of War. Again we are reminded of the Russian proceedings in similar cases, when men who organise massacres are immediately promoted to higher posts.[2]

For the moment, however, the effect of the massacres was anything but what the plotters had expected. The European colony which had been regarding the machinations of Sir Edward Malet with great uneasiness, as likely to exasperate the natives and to lead to retaliation, saw in the massacres the legitimate fruit of that policy, and began to clamour for the recall of the British Agent and the withdrawal of the fleets. At the same time the Europeans perceived that the only guarantee of their

[1] Egypt, No. 4 (1884). [2] Blunt, l.c., p. 314.

safety lay in the reconciliation of the Khedive with his Ministers, and especially with Arabi, who as the popular head of the army was alone in a position to ensure order and public tranquillity. It was evident that to quarrel with the Nationalists was no joke—that they had on their side the masses of the people who would only remain quiet if the leaders were allowed to manage the affairs of the country. Accordingly, not only the French, but also the German and Austrian Consuls-General, who had hitherto allowed Sir Edward Malet to run as he pleased, but with whom political considerations did not override the dangers which threatened the lives of their compatriots, immediately demanded of the Khedive that he should become reconciled with Arabi, and insisted that he should, in their own presence and that of Dervish Pasha, formally entrust him with full powers to maintain order and public security.[1] This the Khedive, though most reluctant, was obliged to do, and Arabi became all of a sudden the virtual dictator of Egypt. He issued a proclamation enjoining the people to keep peace and obey the law, and sent orders to the commanders of the various troops, charging them with responsibility for the state of public security in their respective districts. A similar proclamation to the people was also issued, at his instance, by the Sheikh-ul-Islam, and signed by the chief Ulema of the Azhar.[2] Thus within a couple of days Arabi, who was to fall either under the pistol of Dervish or the odium provoked by the massacres, unexpectedly became the recognised "saviour of society"—a transformation as startling as it was unpleasant to those who had schemed otherwise.

Sir Edward Malet felt for a moment completely crushed.

[1] It would seem from a despatch of Lord Dufferin from Constantinople, dated June 16, that it was the Sultan himself who was the prime mover in the matter of reconciliation. The Sultan was anxious to prevent any pretext being given for the interference of Europe (Egypt, No. 11 (1882), p. 87).

[2] Blunt, l.c., p. 343.

The appearance on the scene of the two European Consuls was a factor which he had not foreseen, and in a despatch, dated June 14, he complains to his chief that his German and Austrian colleagues have telegraphed to their respective Governments, expressing their belief "that the only means of avoiding the most serious calamities is the departure from Alexandria of the fleets and myself."[1] The following day he telegraphs in a still more despondent tone: "The situation here is so strained that it is absolutely necessary that something should be done. There appears to be no immediate prospect of Turkish troops being despatched to Alexandria. The French Government will do all in their power to prevent it, and the views of my German and Austrian colleagues will have great weight in deterring their Governments from giving their consent." In this state of things he, the valiant hero who had hitherto thought that he had the game in his hand, makes a proposal that the Khedive "should convoke the Chamber of Notables and ask for an expression of the wishes of the country." He had spoken to His Highness on the subject that morning, and "His Highness was not unfavourable to the idea."[2]

This was an utter collapse of Sir Edward Malet's diplomacy. It was evident that he was at the end of his tether, and thought that his game was up. He only wanted now to find some decent way out of the mess which he himself had brought about, and thought the convocation of the Chamber would offer him a golden bridge to effect the retreat. Lord Granville must have cursed the pusillanimity of his man as he instructed him next day in a curt telegram "to abstain from recommending the convocation of the Chamber in the present conjunction."[3] Nor, probably, was the Khedive much edified by the conduct of his adviser who at this critical juncture proved such a broken reed. Not only had the two Consuls effected the rehabilitation of Arabi in the face of Sir Edward

[1] Egypt, No. 11 (1882), p. 65. [2] *Ib.*, p. 74. [3] *Ib.*, p. 82.

Malet's opposition, but they now insisted, with a view to making a final end of the crisis, and thus disposing once and for all of the necessity for outside intervention, on the acceptance by the Khedive of a new Ministry, not strictly national, but in which Arabi should be Minister of War, as a sort of compromise between the two contending parties. And the Khedive, much to his own and Sir Edward Malet's disgust, had to accept the arrangement, and a new Ministry came into power on June 17, with Ragheb Pasha, an insignificant person, as President of the Council, and Arabi as Minister of War. Sir Edward Malet, in reporting this new victory of his rivals, could only state that the Khedive had acted under compulsion, the German and Austrian Consuls having given him twenty-four hours to comply with their request.[1]

Within less than a week the Nationalist cause, which had been on the brink of an abyss, was not only saved, thanks to the intervention of the two Consuls, but was actually made stronger. Dervish Pasha saw that he had nothing more to do in Egypt, and reported to his Government that all danger of anarchy had passed.

[1] Egypt, *ib.*, p. 91. The date of this despatch was June 17, and on the same day Sir Edward Malet, having left Cairo, went on board ship at Alexandria, and remained there for some time. This coincidence is very curious. In his book (pp. 336–7) Mr. Blunt tells us that on June 15 he received a telegram from his agent at Cairo, Mr. Sabunji, asking him "for God's sake" to have Sir Edward Malet removed. "All curse and will murder him if he continues," added Mr. Sabunji. Mr. Blunt then went to the Foreign Office and "implored to get Malet ordered on board ship." "This was done," adds Mr. Blunt, in the account he gives of the affair in his book. To this remark Sir Edward Malet shortly before his death took great exception. In a letter to "The Times" he stated that the reason why he went on board ship was not that he had been ordered to do so by his chief, but that he was suddenly seized with a mysterious fever, of which he nearly died. And on learning from Mr. Blunt's book the contents of Mr. Sabunji's telegram, Sir Edward Malet came to the conclusion that he must have really been poisoned. We think Sir Edward Malet's surmise was too far-fetched. In the light of his ghastly diplomatic failures just about that time it appears more probable that he broke down from sheer disappointment at his ill-luck.

M. Freycinet, on his part, expressed his belief that there was now every "possibility of patching up the Egyptian question by making terms with Arabi."[1] Even the idea of a European Conference, decided upon, as we have seen, at the end of May, seemed now somewhat superfluous. The Sultan argued with apparent justice that the *status quo* was now re-established, and that, consequently, there was no need to call together the Powers to elaborate a scheme for intervention. The situation, indeed, looked as if it were likely to fizzle out in mere nothing. But that was only so on the surface. The British Government had quite made up its mind to cut the Gordian knot by the sword, and was only waiting for a plausible pretext to recommence the attack. In reply to M. Freycinet about "patching up the Egyptian question," it frankly stated that "no durable or satisfactory arrangement was possible without the overthrow of Arabi Pasha and the military party in Egypt,"[2] while its agents continued to send out reports describing the unsettled condition of the country and the indignation which was being aroused among the natives themselves by the military terrorism of Arabi.[3] On June 20 Lord Granville formally notifies to Bismarck through Lord Ampthill, the British Ambassador in Berlin, "that Her Majesty's Government have been no parties to the present arrangement in Egypt (i.e. the formation of the Ragheb-Arabi Ministry), and that although they admit that that arrangement may be possibly expedient as a provisional measure for saving from violence the lives and property of Europeans, they do not consider that the political question is in any way settled by it."[4]

There were, however, considerable difficulties in the

[1] Lord Cromer, l.c., vol. 7, p. 293.
[2] Egypt, No. 11 (1882), pp. 81, 88.
[3] *Ib.*, p. 293.
[4] *Ib.*, p. 118. By way of clinching the argument Lord Granville ordered that the Controllers should no longer attend the sittings of the Council of Ministers (p. 131). Yet the Controllers were supposed to be functionaries in the service of the Egyptian Government. Pity they were not placed on their trial for breach of discipline.

way of settling the "political question" in the sense desired by England. There were the binding promises but recently given by her to the effect that Europe and Turkey would be associated with the two Western Powers in elaborating the necessary measures of coercion, and there was the invitation to a joint conference which had been sent out in fulfilment of this pledge. It is not difficult to trace by Lord Granville's despatches of the beginning of June how irksome were to him those pledges, and how glad he would have been to evade them. Already on June 1, that is, on the day following the issue of the invitations to the Conference, Lord Granville again approached M. Freycinet with the suggestion that the Great Powers might be requested to ask the Sultan to send troops to Egypt. To this M. Freycinet naturally replied that before doing that it would be better to ascertain first whether the Powers were agreed to meet in conference at all. Lord Granville then suggested that the plan of asking the Sultan to send troops to Egypt might at least be included in the instructions which were to be sent to Lord Dufferin for the management of the Conference. To this, too, M. Freycinet would not accede, pending the receipt of the replies from the Powers. Yet the replies were not forthcoming easily as the Sultan still persisted in repudiating the idea of a conference so long as Dervish's mission was not completed. Lord Granville then decided again to act on his own responsibility. In a circular despatch sent out on June 13 he instructs the British Ambassadors accredited to the Courts of the Great Powers to request the Governments of the latter to propose to the Sultan "to be prepared to lend to the Khedive a sufficient force to enable His Highness to maintain his authority," on the understanding, however, that the force should only be maintained, in the first instance, for one month, that no interference should take place with the liberties of Egypt, and that in general the *status quo* should be preserved pending the elaboration

of a scheme of reforms by Europe.[1] Again M. Freycinet was confronted with a *fait accompli*, and was placed before the alternative of either taking or leaving it. On June 14 he informed Lord Lyons that he very much disapproved of Lord Granville's act, as the suggestion for the active interference of the Sultan was bound to reach the ears of the Porte and would increase its hesitation and reluctance to enter the Conference, and expressed his great dissatisfaction with the omission of a clause which would provide that the Turkish troops should operate in Egypt under the supreme orders of the Khedive.[2] Lord Granville, in order to soothe the susceptibilities of the Frenchman, made a pretence of taking his objection into consideration, and in repeating the instruction to Lord Dufferin, gave him permission to insert the clause, if he thought fit. M. Freycinet, however, "being desirous," as he put it, "not to separate himself from the English Cabinet in these circumstances," after some delay, repeated Lord Granville's instructions to his own Ambassadors, inserting at the same time the disputed clause in a categorical form.[3]

All this, it will be noticed, took place before the formation of the Ragheb Ministry, which from the English point of view left the "political question" still unsettled, and the single-handed action of Lord Granville on June 13 was the outcome of the report of the Alexandria "pogrom." It can easily be seen that Lord Granville was looking forward to the forthcoming Conference with but little pleasure, and made every effort to forestall its decisions by settling various points of its programme in advance. On his own part, M. Freycinet did what he could to frustrate the designs of the British Government, which, indeed, were so patent that most of the Powers doubted in advance the practical utility of the Conference, and, to use the words of Lord Granville, "did not appear to be all of them convinced of the wisdom and expediency

[1] Egypt, No. 11 (1882), p. 59. [2] *Ib.*, p. 68. [3] *Ib.*, pp. 73, 79.

of such a step."[1] On June 14, with a view to further safeguard, M. Freycinet proposed that the Powers before entering on the business of the Conference should sign a "self-denying" protocol, similar to that which had been signed by them in September, 1880, with regard to the Montenegrin and the Greek questions, engaging themselves "not to seek in Egypt any augmentation of territory, or exclusive advantages."[2] Lord Granville, deeply offended at this suspicion of English designs, dryly replied that he agreed. M. Freycinet then set out to bring about the conference as speedily as possible. He saw the dangers of the delay in placing England under the control of the Powers, and sought to remove all the obstacles which stood in the way of the meeting of the Conference. As Lord Granville refused to approach the Powers a second time with the request that they should induce the Sultan to agree to the Conference, M. Freycinet effected that the Powers should at least be asked to agree to meet, with or without Turkey, and in order to obviate another objection of Lord Granville, he insisted that if necessary the Conference should meet in some other place than Constantinople.[3] Lastly, as Bismarck objected to the proposed restriction of the operations of the Turkish army to a period of one month, M. Freycinet agreed that that question should be left in the hands of the Conference, merely instructing the Marquis de Noailles, the French Ambassador at the Porte, that "if Turkish intervention were to take place, he should come to an understanding with his colleagues on the terms proper to prevent all risk of this intervention degenerating abusively into an occupation prejudicial to the autonomy of Egypt."[4] This last act of M. Freycinet took place on June 17, the very day when the national Ministry was reconstituted, and England had no option but to go to the Conference for the settlement of the "political question" which was so troubling to her.

[1] Egypt, No. 11 (1882), p. 46.
[2] *Ib.*, p. 68.
[3] *Ib.*, pp. 82 and 84.
[4] *Ib.*, p. 111.

CHAPTER XIV

THE DIPLOMACY OF BIG GUNS

THE Conference which was to effect a definitive settlement of the Egyptian question—a question which would never have been unsettled but for the aggressive designs of England—met at Constantinople, the capital of the Suzerain Power of Egypt, which repudiated the whole affair as an infringement of its rights, on June 23, 1882. There can be no doubt that at least one of the Great Powers, which took part in it, regarded the business as a very serious one. In the instructions which he sent out to his Ambassadors on the occasion of the meeting of the Conference, M. de Giers, the Russian Foreign Minister, laid stress upon the maintenance of the European concert in the matter of taking a decision with regard to Egypt, saying that no solution of the question should originate but by it, and that if moral action should not suffice to settle the difficulties, the concert as a whole should decide upon further measures. In the case of the latter becoming necessary, M. de Giers continued, Turkey would be the most appropriate Power to be called upon to restore the *status quo ante* in Egypt, but, should she refuse, a mandate might be given to England and France, whose forces, however, ought to be accompanied by commissioners from the Great Powers. After the restoration of order, the whole of the international obligations of Egypt would have to be revised, with a view to doing away with the Dual Control, and establishing a

system of internationalism that would guarantee against the personal abuses of Agents, and render further interference in the internal affairs of Egypt impossible.[1]

Needless to say, England went to the Conference with no such intentions or plans. Of all the various methods by which the hateful National Ministry could be removed joint action by Europe was to her the most distasteful of all, as the admission of Europe into the business carried with it the danger that England might lose her exclusive position in Egypt and forfeit for ever the chances of realising her long-standing ambitions. It was, indeed, with a view to avoiding such a fatal contingency that she had been trying all along to get Turkey to interfere in Egypt, expecting, not without reason, that she would be able to manipulate Turkey's action in accordance with her interests. Now that she had failed in that object and a conference of the Great Powers had assembled, it became clear to her that, short of tamely submitting to her fate, she must be prepared to act on her own account, should Turkey still persist in refusing to intervene, or should the Powers decide on another line of action incompatible with her designs.[2] That meant, of course, quarrelling with France, and, perhaps, with the concert of Europe; but she hoped that it might not come to an open rupture, and for the rest, she relied on the healing properties of time and of her own diplomacy.

[1] Egypt, No. 17 (1882), p. 78.

[2] When the Note containing the above views of M. de Giers was submitted by Prince Lobanoff to Lord Granville, the latter assured the ambassador that "we had no *arrière-pensée* in regard to our policy towards Egypt, and no wishes of selfish ambition." He also expressed his desire that "any action which took place should have the sanction of Europe." He did not conceal, however, that "we were making preparations, in order to be in a position to take any part which might be necessary" (Egypt, No. 17 (1882), p. 82). Yet but a fortnight previously Lord Granville in reply to a question by the German ambassador in London whether there was any truth in the report that preparations were being made for the despatch of British troops to Egypt, had assured him that the report was "without foundation" (Egypt, No. 11 (1882), p. 90).

As events turned out, the risk was not half as great as she feared. She found an unexpected ally in Bismarck, who saw in the affair an excellent opportunity of causing a deadly quarrel between England and France, thereby isolating the latter, gaining to his side the former, and securing for Germany the unchallenged political hegemony in Europe. It was not the least mischievous side of the aggressive policy of England as regards Egypt that it led to the disunion of the democratic forces of Europe, as represented by the two most progressive communities of our time, England and France—a disunion which lasted over twenty years, brought about the ascendancy of Prussia, the most powerfully reactionary Power in the world, in the concert of Europe, and lastly threw France into the arms of Russia, to the detriment of the peoples of both countries. This was all achieved by British diplomacy within those fatal months of July and August, 1882, in which the Conference sat.

Before her triumph, however, England had to undergo some humiliation, as even Bismarck had no wish to see Egypt completely grabbed by England to the exclusion of the other Powers. At the very first meeting of the Conference the question of a self-denying Protocol was brought up, and at the second meeting, two days later, it was signed by the plenipotentiaries present. It ran as follows: "The Governments represented by the undersigned engage themselves, in any arrangements which may be made in consequence of their concerted action for the regulation of the affairs of Egypt, not to seek any territorial advantage, nor any concession of any exclusive privilege, nor any commercial advantage for their subjects other than those which any other nation can equally obtain."[1] This was a declaration of prime importance. By joining in it England—for it was meant, of course, specially for her—undertook not to annex nor even to occupy, in the manner provided for in the Berlin

[1] Egypt, No. 17 (1882), p. 33.

Treaty in the case of Austria and Bosnia-Herzegovina, Egypt, but simply to act as one of the many Powers interested in the settlement of the Egyptian question on behalf of and for the benefit of all. The manner in which she discharged that undertaking constitutes one of the greatest scandals in the history of international law. No wonder that the historians of the apologetic school carefully abstain from mentioning this damaging document.[1]

Yet another attempt was made by the Conference, before it knew its own mind, to prevent single-handed and selfish aggression by England. At the third meeting of the Conference, on June 27, the Italian plenipotentiary suggested that "it should be understood that, so long as the Conference lasted, the Powers should abstain from all isolated action in Egypt." This again was meant specially for England, who was known to be making warlike preparations. The understanding was agreed to, but with the reservation, suggested by Lord Dufferin and Marquis de Noailles, of *force majeure*, such as the necessity of protecting the lives of their respective subjects. The reserve, Lord Dufferin reported to his chief, "was added for the purpose of leaving perfect liberty of action to our respective Governments in the presence of any emergency. . . . We did not," added the wily diplomatist, "we did not, in fact, regard the Italian Ambassador's suggestion, when modified by this saving reservation, as of any great importance."[2] Lord Granville, however, was not satisfied with this interpretation which evidently assumed too much. He therefore telegraphed to Lord Dufferin instructing him to take an opportunity of mentioning to his colleagues that the term "*force majeure*" was understood by him in a wider sense than the mere necessity of protecting the lives of English

[1] Not a word about this Protocol is to be found in Lord Cromer's "impartial" narrative.
[2] Egypt, No. 17 (1882), pp. 47 and 48.

subjects.[1] This Lord Dufferin immediately did at the fourth meeting of the Conference. The question was raised as to what would happen if the Sultan, ignoring the Conference, were to send troops to Egypt on his own initiative. One of the delegates remarked that such action on the part of the Sultan could easily be frustrated by the English and French fleets at Alexandria, which could prevent the disembarkment of the Turkish troops. Thereupon Marquis de Noailles observed that "as the Conference had assembled, it would be out of the question for the English and French fleets to intervene in the manner indicated." Lord Dufferin at once saw his opportunity. Such a step, he remarked, on the part of the Sultan would just be one of those cases of *force majeure*, which were covered by the reservation appended to the Italian resolution, "just as would be the case if the Suez Canal were threatened, or any other sudden or critical change were to take place in the political situation which might menace special interests."[2] This was an interpretation which deprived the resolution of all importance, but the delegates, either through stupidity or because they had already received a hint from Bismarck, allowed Lord Dufferin's remark to pass unchallenged. Lord Dufferin won his game.

Meanwhile, however, the primary question, for which the Conference had been summoned, was also being assiduously considered. Lord Dufferin would invariably open the proceedings by reading numerous despatches from Cairo, describing the alarming state of things over there, the scandalous behaviour of the "Ministry of Comedy," as he called the Ragheb Cabinet, the insolence of the military faction which was "proceeding from violence to violence," and breaking constantly out in mutinies, revolts, and usurpations, the growing anarchy, the spreading ruin, the impending repudiation of international engagements, and so forth, in the approved

[1] Egypt, No. 17 (1882), p. 49.
[2] *Ib.*, p. 57.

style of latter-day diplomacy. His colleagues would listen with ill-disguised scepticism, some even remarking that they could not subscribe to the propounded views.[1] However, they soon accepted Lord Dufferin's proposal—from which, it must be noted, Marquis de Noailles openly dissociated himself[2]—for requesting the Sultan's military intervention, as they knew well that England was firmly bent upon changing the condition of things in Egypt. The question only was, how to deprive such intervention of any chance of degenerating into usurpation on the part either of the Sultan or of England. Lord Dufferin argued that this was the easiest thing in the world. The Khedive had only to dismiss the present Ministry, appoint Dervish Pasha Minister of War, place the Turkish troops under the latter's command, restore the Dual Control, and the thing was done. The proposal, however, did not agree with the delegates, who justly argued that the Sultan would never consent to lend his troops on such humiliating terms. The proposals of Marquis de Noailles found greater favour. The French Ambassador suggested that the following conditions be attached to the despatch of Turkish troops to Egypt: a formal demand by the Powers addressed to the Sultan, an assurance by the latter of restoring the *status quo*, no interference with the firmans and privileges of Egypt, no fixed time-limit to the occupation, no interference, during its duration, with internal affairs, and no infringement of the rights and dignity of the Khedive.[3] The delegates were favourable to these conditions, with the exception of the one relating to the time-limit and to the "demand" to be addressed to the Sultan. It was pointed out that the Porte would not accept a "demand," and the fear was expressed that an indefinite occupation would spell too great a danger for Egypt. Lord Dufferin

[1] Egypt, No. 17 (1882), pp. 31–2.
[2] *Ib.*, p. 56. Marquis de Noailles expressly stated that the proposal emanated from the British Government, and was by no means an Anglo-French one.
[3] *Ib.*, p. 56.

was also bitterly opposed to the latter. Ultimately the idea of an Identic Note was adopted which would invite the Sultan to send troops to Egypt and enumerate in a polite form the conditions under which the Powers expected him to perform that task. The exact terms in which these conditions were to be stated were agreed upon at the seventh meeting of the Conference on July 6, and ran as follows:[1] "The Great Powers are fully convinced that during the stay of the Ottoman troops in Egypt the normal *status quo* will be maintained, and that there will be no interference with the immunities and privileges of Egypt, as guaranteed by the preceding firmans, nor with the regular action of the Administration, nor with the internal engagements and arrangements resulting therefrom. The stay of the Imperial troops in Egypt, whose commanding officers will act in concert with the Khedive, will be limited to a period of three months, unless the Khedive should ask for a term to be fixed by agreement with Turkey and the Great Powers. The expenses of the occupation will be borne by Egypt. . . . If, as the Powers hope, the Sultan acquiesces in the appeal made to him by the Great Powers, the application of the articles and conditions enumerated above will form the object of a subsequent agreement between the six Powers and Turkey."

The "appeal" was signed by all the delegates, and sent by them to their respective Governments for ratification. It is clear that the conditions enumerated in it, on which the occupation of Egypt by Turkey should take place, were not such as could commend themselves to the British Government. England, the predominating Power, who had engineered the whole business of intervention, was completely eliminated by being merged into the "six Powers," and the substitution of the European Concert for the British Government as the contracting party with Turkey in the matter of defining in detail

[1] Egypt, No. 17 (1882), p. 94.

the application of the articles of the Identic Note rendered all possible manipulation of the action of Turkey in the particular interests of England a thing of extreme difficulty. At the same time there could have been no doubt that Turkey would accept the terms of the Identic Note, first because her *amour propre*, as the Suzerain Power of Egypt, was amply safeguarded, and secondly, because it was known that in case of her refusal the Powers would probably take action without her. In fact, such a contingency had already been discussed by the Conference, and the final decision had only been deferred out of regard for the susceptiblities of the Porte.[1]

In these circumstances England decided to act ere the ratifications of the Governments had been received and the Identic Note presented. There is in the official papers subsequently published no evidence showing that the British Government were already at that time in collusion with Prince Bismarck. Probably they were, and the inconvenient papers were simply suppressed. At any rate, however, it is clear that what England decided to do was to confront the Powers with such a striking *fait accompli* as would render the accepted Identic Note a mere piece of waste paper, and show them that in any arrangement that might be made for the solution of the Egyptian question England must be given the predominating rôle. It was certainly a hazardous step on her part, but it succeeded as all insolent actions on the part of a strong Power do succeed.

The particular action which England took was nothing less than the bombardment of Alexandria. The pretext used was the construction of forts which menaced the foreign fleet—a pretext which was very well derided in Parliament by Mr. Richards. "I find," he said, "a man prowling about my house with obviously felonious purposes. I hasten to get locks and bars, and to barricade my windows. He says that is an insult and threat

[1] Egypt, No. 17 (1882), pp. 68–9.

to him, and he batters down my doors, and declares he does so only as an act of strict self-defence."[1] Indeed, nothing was so mean, so obviously hypocritical as the pretext on which the English proceeded to bombard Alexandria, a city of great commercial importance, with a population of over a hundred thousand. As far back as May 29 Sir Beauchamp Seymour (subsequently made for his exploits Lord Alcester) informed the Admiralty that the Egyptians were erecting fortifications at the port of Alexandria. Thereupon on June 3 Lord Granville made this perfectly lawful proceeding of an independent State, threatened by a foreign fleet, the subject of an inquiry at the Porte, which three days later returned a reply to the effect that no new fortifications were being built or armed, that it was merely a question of some repairs, and that even those had now, by order of the Porte, been suspended. The Porte at the same time added the expression of its hope that "the commanders of the Anglo-French fleet will carefully avoid everything calculated to provoke the slightest conflict."[2] A whole month was then allowed to lapse. On July 1 the works at the fortifications were renewed, and preparations were made to bar the channel. Lord Granville at once telegraphs to Lord Dufferin, expressing his great dissatisfaction with the slow work of the Conference,[3] saying that the Powers must present the Sultan with an ultimatum or consider ulterior measures, and at the same time sends Admiral Seymour an instruction to inform the Military Governor of Alexandria that "an attempt to bar the channel will be considered as an hostile act," which will lead to the bombardment of the forts.[4] Thus at one and the same time the British Government was taking independent action and urging upon the Conference to invite the Porte to act. As if to emphasise the independent

[1] Hansard, "Parl. Debates," Vol. 272, 1882, p. 1778.
[2] Egypt, No. 11, (1882) p. 22.
[3] *Ib.*, No. 17 (1882), p. 70. [4] *Ib.*, p. 74.

nature of the contemplated act, Lord Granville, in his despatch to Admiral Seymour, also instructed him, before taking any hostile action, to invite the co-operation of the French admiral; but, he added, "you are not to postpone acting on your instructions because the French decline to join."[1] The French did decline to join. Just a few days previously M. Freycinet, replying to an interpellation in the Chamber, concerning the presence of the French fleet at Alexandria, had explained that it was there exclusively for the defence of the interests "de nos nationaux," and while refusing to give any details of the contemplated measures, added: "Mais il y a un moyen que j'exclus,—ce moyen c'est une intervention militaire française en Egypte."[2] Accordingly, he now declared to Lord Lyons that the French admiral could not possibly "associate himself with the English admiral in stopping by force the erection of batteries or the placing of guns in Alexandria."[3] On his part, the Military Governor emphatically denied contemplating any measures to bar the channel. But Admiral Seymour, like the wolf in the fable, would not let his victim escape his fate. On July 6 he sent the Military Governor another note curtly demanding the cessation of warlike preparations, and four days later sends him an ultimatum, giving him twenty-four hours within which to comply with his demand.

Here must be noted an important fact. As the Conference was at that time deliberating upon the methods of inducing the Sultan to intervene—in fact, had already arrived at a decision, and was only waiting for its ratification by the respective Governments, this unheard-of act of intrusion on the part of the British Government could only have been justified by it on the plea of some *force majeure*. The danger threatening the lives and property of British subjects could not have been put forward as such a plea, for the simple reason that no such danger existed. From the beginning of June and all

[1] Egypt, No. 17 (1882), p. 74. [2] *Ib.*, p. 8. [3] *Ib.*, p. 83.

through that month the British Consular Agents, acting in agreement with Admiral Seymour, had been sending away all the British subjects from Egypt, who took refuge on the ships or returned home.[1] This, by the way, corroborates the evidence we have on direct authority that the bombardment of Alexandria had been decided upon as far back as the beginning of June.[2] In these circumstances, as we have already mentioned, the plea put forward for that aggressive act both in the official despatches and in Parliament was that of necessity of self-defence. "The course which our Admiral has announced," wrote Lord Granville in the circular despatch of July 10 to the British Ambassadors abroad, "is no more than an act of simple and legitimate self-defence, and his action . . . will be undertaken with that object, and without any hidden object on our part."[3] To gain, however, an idea of the sincerity of this plea, as well as the amount of material fact which lay at its base, it is only necessary to turn to a despatch forwarded by Lord Dufferin to his chief on July 8, in which the Ambassador records a conversation which he had with the Turkish Minister for Foreign Affairs. The Minister having approached him with an urgent request to ask Lord Granville to enjoin Admiral Seymour not to do anything precipitate at Alexandria, Lord Dufferin turned the tables upon him and asked: "Why was not the Sultan there with his troops to keep order?" "I then observed," reported Lord Dufferin, "that if he could give me any assurance that the Sultan would act in the manner we desired, any representations I might make to your Lordship in the sense he had suggested would be sure of a favourable consideration, but that a mere request he asked me to transmit, based on nothing, would not be very effective."[4] In other words, the necessity for self-

[1] Egypt, No. 17 (1882), pp. 98, 101, 110.
[2] Blunt, l.c., p. 364. [3] Egypt, No. 17 (1882), p. 114.
[4] *Ib.*, p. 104.

defence was so urgent, the danger to the fleet from the guns in the Alexandria forts was so imminent that Lord Dufferin was prepared—and he had reason for saying so—to recommend the withdrawal of the orders given to Admiral Seymour to bombard the forts, if only Turkey consented to act the part which England wanted of her! A more convincing proof that the bombardment of Alexandria had no other object than that of provocation, and the confrontation of the Powers with a new "accomplished fact" can scarcely be desired.

It is interesting to note yet another fact. While the British Government was spinning its cobweb of intrigues, Egypt was being administered in the quietest manner possible by the National Ministry, who had now no longer to reckon with any outside interference, Sir Edward Malet having, as mentioned before, gone on board Admiral Seymour's ship, and the two Controllors having, on the advice of Sir Edward Malet, and with the consent of Lord Granville, struck work on June 22. Some attempt, it is true, had been made early in June to bribe Arabi into retiring from Egypt,[1] but this having failed, the Ministry was no longer troubled by self-appointed counsellors and controllers. The Khedive, however, remained at Cairo, continuing his secret intercourse with the English, and when Admiral Seymour's ultimatum arrived, he was one of the most decided advocates of resistance.[2] It is quite probable—nay, certain, that even if he had been in favour of complying with Sir Beauchamp's demands, the Ministry would have decided all the same to offer resistance to the English. This, however, does not alter the fact that he was playing at the time the part of an *agent-provocateur*, and that the subsequent charge against the national defenders of "rebellion" against the Khedive was absolutely false.[3]

[1] Blunt, l.c., p. 334. One offer for £4000 a year emanated through the Rothschilds, and another for £6000 a year from the French Government. Of course, methods of corruption are only known to the East! [2] *Ib.*, p. 379. [3] *Ib.*, p. 381.

The bombardment of Alexandria took place on July 11, having commenced early in the morning and lasted nearly ten hours. The Egyptian guns were silenced, and in the afternoon the garrison withdrew. British bluejackets were landed two days later, and the city was formally in the hands of the conquerors on the 15th. In the intervening days the city was set on fire—some say, by the shells from the British fleet, which is more probable, and others say, by the retiring Egyptian force, which is less likely. The fact is immaterial, as well as the other, that in the ensuing disorder considerable pillage took place and several persons were killed and wounded. What, however, is important is the bare fact that England committed an unprecedented act of barbarity and a breach of international law, for which a weaker Power would have paid very dearly.

As it was, the effect of the act was largely what England had hoped for. All the world now recognised that an English invasion of Egypt was inevitable, and the fact was made stronger by the outburst of enthusiasm with which the idea of a military expedition in Egypt was greeted by all sections of the British population. Liberals, Radicals, Nonconformists, and Quakers, all vied with one another in demanding immediate war on the "rebellious" military clique at Cairo, while the Tories, as befitted an Opposition, joined them with subdued voices, but none the less emphatically. Only a small group of honest men of various political opinions, such as Mr. Blunt, on the one hand, and Mr. Frederic Harrison, on the other, dared to challenge the Jingo spirit, and naturally without result. Mr. John Bright left the Cabinet in protest against the bombardment of Alexandria; but those who had the reputation of Radicals, men like Mr. (now Lord) Morley, then editor of the "Pall Mall Gazette," and Sir Charles Dilke, then Under-Secretary for Foreign Affairs, were all in favour of war. It was a lamentable collapse of reputations and convictions, even more striking

than we have witnessed in our days during the Boer War. Immediately after the bombardment Parliament voted, with a few honourable dissentients, led by Sir Wilfrid Lawson and Sir George Campbell, the necessary military credits, and troops were immediately sent from Malta. India, and other places.

Of course, the starting-point of all the trouble and the real issue for which the war was to be waged, that is, the interests of the bondholders, were for the moment forgotten, and those whose business it was to know did their best to conceal them. The cry was that England's honour was engaged in upholding the authority of the Khedive as well as the integrity of the international obligations of Egypt, and though neither the one nor the other was really threatened except by the English themselves, and though the masses of the public were as little affected either one way or another by these tremendous issues as they were by the doings of the Mandarins at the Chinese Court, the cry nevertheless went down, as such senseless cries usually do, with the ignorant crowds in the streets. A semblance of truth was lent to these pretensions by the fact that no sooner had Alexandria fallen into the hands of the English than the Khedive, who himself had advised resistance, succeeded by means of a ruse in escaping from Ramleh Palace and joining Admiral Seymour. From his place of refuge at the Ras-el-Tin palace at Alexandria, he even had the audacity to summon Arabi to his presence—ostensibly in order to confer about the transfer of Alexandria to the English, but in reality, as Mr. Cartwright, Sir Edward Malet's *locum tenens*, reported, to arrest him, if he came, or to declare him an outlaw, if he did not.[1] Of course, Arabi did not obey the treacherous summons. Immediately on the desertion of Tewfik, while Arabi was still absent at Alexandria, all the notabilities of the State, including the Princes, provincial Governors, and representatives of all the religious

[1] Blunt, l.c., pp. 388 and 392–3.

communities, including the Coptic and Israelite, assembled and formed a national council for the administration and defence of the country, Arabi being put at the head of the military affairs, both as Minister of War and Commander-in-Chief.[1] On July 22 the Khedive issued a Decree dismissing Arabi and appointing a new Ministry with the old English partisans Sherif and Riaz, the former as President of the Cabinet and the latter as Minister of the Interior. But, of course, no notice was taken of the Decree, the National Council having declared that the Khedive, by deserting his people and going over to the enemy, had forfeited his authority. Arabi and his colleagues were now represented as real "rebels" against their legitimate sovereign, though whether a legitimate sovereign may leave his people at a critical moment in the lurch was never inquired into.

It now remains to see the effect of the bombardment of Alexandria on the so-called Concert of Europe, and to trace the last stages by which England succeeded in shaking off its control and reaching her goal—the single-handed occupation of Egypt.

[1] Blunt, l.c., p. 383.

CHAPTER XV

THE SEIZURE OF EGYPT

IMMEDIATELY on the receipt of a telegram from Admiral Seymour, announcing the commencement of the bombardment, Lord Granville despatched to Lord Dufferin, for communication to his colleagues, a long exposé giving a detailed review of the events which had led to the present act, which concluded with the following significant words: "Her Majesty's Government now see no alternative but a recourse to force to put an end to a state of affairs which has become intolerable. In their opinion, it would be most convenient and most in accordance with the general principles of international law and usage that the force so employed should be that of the Sovereign Power. If this method of procedure should prove impracticable, in consequence of the unwillingness on the part of the Sultan, it will become necessary to devise other means. Her Majesty's Government continue to hold the view expressed in their circular of February 11 that any intervention in Egypt should represent the united action and authority of Europe." [1]

The allusion to the principles of international law and usage as well as the reiterated desire for common European action in Egypt were, in face of Admiral Seymour's action, certainly interesting. We shall also soon see what value there was in the professed anxiety that Turkey should undertake the task of chastising the rebellious Egyptian Nationalists. The importance of the above words, however, lay not in these hypocritical professions and allusions,

[1] Egypt, No. 10 (1882). *Vide supra*, p. 173.

but in the announcement that a war against Egypt was now inevitable, and that should Turkey decline to undertake it, "other measures" would have to be devised. What those measures were to be was left undefined, but in view of the warlike act of July 11 and the warlike preparations immediately following, it was not to be doubted that England meant to insist either on a mandate or, at least, on such action as would secure for her the leading rôle in the impending events.

Russia took the high-handed action of England very seriously. What was the good of having a Conference when England was substituting herself in the place of the European Concert? She instructed her delegates to withdraw from the Conference, declaring that "His Imperial Majesty was willing to take part in the Conference so long as its decisions were accepted as authoritative, but did not wish merely to acquiesce in accomplished facts." [1] The other Powers, however, led by Bismarck, took a more lenient view of the case. They were for several reasons disinclined to give England a formal mandate. Such a mandate, on the one hand, would have to be given to France also, in which case the political scheme which Bismarck had in his mind would fall to the ground; on the other hand, it was more advantageous not to undertake the responsibility for any acts England might commit, as that would reserve to the Powers the right to pull her up, when necessary. But while disinclined to give England a formal mandate, Bismarck was already negotiating with her for allowing her to proceed on her own responsibility, and on July 20 Lord Dufferin was in a position to report to his chief a conversation which he had had with the German Chargé d'Affaires to the effect "that the Northern Powers would never agree to a mandate, that it would be better for us to go forward at once by ourselves, and that everyone understood that the reserve we had made under the term of

[1] Egypt, No. 17 (1882), pp. 259–60.

force majeure would cover anything that we might be obliged to do in Egypt." [1] In the same sense also spoke Count Kalnoky, the Austrian Foreign Minister, saying that he would not object to England or France going forward, provided it was understood that they were not acting on a mandate from Europe. "England and France," he added, "had pursued a policy with regard to Egypt of which he had not always been able to approve, and it had led to the present difficulties, in which he had no wish to mix more than he could avoid." [2]

That was rather more than England had bargained for. She would have naturally preferred to go out to Egypt with the express sanction of the Powers, as Austria had done a few years previously in Bosnia and Herzegovina. Her liberty of action would not have been impaired thereby, while her occupation of the country would have been rendered more secure. As this, however, was impossible, the British Government took courage and decided to advance on their own responsibility. The above conversations occurred on July 20 and 21, and on the latter of these dates the Government brought in the Bill for military credits which were immediately granted.

There was, however, the prior question of Turkey. On July 15 the ratifications of the Identic Note reached the delegates of the Conference, and on the same day the Note was presented to the Porte. In spite of the evident danger which threatened from the action of England, the Porte still hesitated, and on July 19 Lord Granville telegraphed to Lord Dufferin instructing him to propose to the Conference to give the Sultan twelve hours' notice—otherwise to proceed to the consideration of further methods.[3] But the Porte had already got wind of the negotiations between England and Germany, and on that very day it informed the Ambassadors that it accepted the Note, and would be represented at the next meeting of the Conference.

[1] Egypt, No. 17 (1882), p. 216. [2] *Ib.*, p. 202. [3] *Ib.*, p. 165.

Turkey's "obstinacy" was at last broken, and things could now proceed smoothly, in accordance with the programme drawn up by the Conference. Troops could now be mobilised, and an agreement drawn up between the six Powers and Turkey for the detailed application of the articles contained in the Identic Note. On July 24 the Turkish delegates made their first appearance at the Conference, and formally accepted the proposal to send troops to Egypt, and at the next sitting of the Conference, two days later, they announced that the troops were on the point of starting.

But Turkey was reckoning without her host. England was in possession of Bismarck's and Kalnoky's assurances, and had no longer any wish to see Turkey supplanting her on the Nile; 15,000 English troops were already on their way to Alexandria, and a few days later the first detachments were landed. The tone of the British Government suddenly underwent a change. On hearing of Turkey's acceptance of the Identic Note, Lord Granville telegraphed to Lord Dufferin, declaring that the Sultan could only hope "to recover the confidence of Her Majesty's Government by the immediate issue of a proclamation in favour of the Khedive and denouncing Arabi Pasha as a rebel." [1] The Concert of Europe, as one of the two contracting parties, was all at once thrust aside, an air of patronage took the place of the former acknowledgement of the undisputed authority of the Porte, and a new condition was arbitrarily introduced which had been totally absent in the Note elaborated by the Conference. The Sultan was naturally up in revolt, but his protests found no echo among the delegates of the Great Powers. The Governments of the latter, including the Russian, had already made up their minds to let England run as she pleased on her own responsibility, without giving her a mandate even for the guarding of the Suez Canal, which she demanded. On July 27 Lord Granville informed

[1] Egypt, No. 17 (1882), p. 188.

M. Freycinet that "Her Majesty's Government, while accepting the co-operation of Turkey in regard to intervention in Egypt, will proceed with the measures which they have already taken in hand."[1] This was equivalent to a declaration that the British Government proposed to treat the decision of the Conference, as expressed in the Identic Note, as null and void, that England herself would now assume the task which had been entrusted to Turkey, and that the latter, in the best of cases, would only be permitted to "co-operate." The same sentiments were expressed by Lord Granville in a despatch addressed on July 28 to Lord Dufferin, in continuation, as it were, of that of July 11, in which, after reviewing the events which had taken place since the bombardment, his lordship declared that, "while reserving to themselves the liberty of action which the pressure of events may render expedient and necessary, Her Majesty's Government will be glad to receive the co-operation of any Power who are ready to afford it."[2] Here the name of Turkey was not even mentioned—she was simply merged into the common term of "any Power" whose "co-operation" would at any time be welcome to the British Government. As a matter of fact, the latter was at that time negotiating with Italy for her co-operation on the Nile. On July 22 Lord Granville, knowing well the attitude of the French Government on the question of military intervention, had proposed to M. Freycinet that they, in case Turkey refused to comply with the conditions demanded by England, should make a joint declaration at the Conference to the effect that "as they consider immediate action necessary to prevent further cost of life (!) and continuance of anarchy (!), they intend, unless the Conference has any other plan, to devise, with a third Power, if possible, military means for procuring a solution."[3] M. Freycinet naturally refused to go "beyond limited co-operation for the protection of the Suez Canal," but

[1] Egypt, No. 17 (1882), p. 234. [2] *Ib.*, p. 240. [3] *Ib.*, p. 194.

saw no objection if England were to apply to Italy (for that was the third Power which Lord Granville had mentioned in the course of his despatch) to join in a military intervention.[1] Now that it felt that the trumps were all in its hands, the British Government earnestly asked Italy to send troops to accompany the British army of invasion, thinking, no doubt, that odium shared is odium halved. But the Italian Government was not to be had for such purpose. "He could not," replied Signor Mancini, the Italian Foreign Minister, on July 30, "without inconsistency in the actual state of things, enter into a negotiation for a different intervention outside the Conference, to which no communication had been made."[2] The plea was certainly formal, as the Conference knew very well what was going on, but the action of England being informal, Italy, like her allies, Germany and Austria, studiously avoided any semblance of officially condoning it, so that the responsibility might be left entirely on the shoulders of England. Thereupon the negotiations with Italy dropped.

Meanwhile the negotiations with Turkey herself were still proceeding. The British Government could not well break them off without a plausible pretext—especially as time had to be gained until all the troops arrived and the military operations were commenced. Besides—and this was, perhaps, the chief consideration—England was very anxious to have Arabi proclaimed a rebel by the Sovereign Power, as that would lend some colour to her plea that she was intervening on behalf of the authority of the legitimate ruler of Egypt and the Suzerain, the Sultan. On July 28 the Porte gave its consent to the proposal to proclaim Arabi a rebel, but expressed at the same time the hope that "the present foreign occupation of that country (Egypt) will be abandoned as soon as the Imperial Ottoman troops shall arrive at Alexandria."[3] This, however, Lord Granville would not

[1] Egypt, No. 17 (1882), p. 211. [2] *Ib.*, p. 255. [3] *Ib.*, pp. 247–8.

grant, and demanded simply to know whether the Porte was ready to co-operate with the British troops, and would agree to issue the proclamation against Arabi before the Ottoman troops moved. The Porte then agreed that the English troops should remain in Egypt, but insisted that they should be withdrawn on the restoration of order simultaneously with the Turkish. As for the proclamation against Arabi, the Porte was prepared to issue it before the Ottoman troops landed in Egypt.[1] Nothing could be fairer than this offer, which safeguarded Egypt against English usurpation, but Lord Granville would not listen to it. The proclamation against Arabi must be issued at once, before even the troops embarked; and as for the terms of the stay of the troops of the two Powers, that must be regulated by a special convention between them.[2] For the rest, Lord Granville instructed his Ambassador (on August 2) to declare to the Conference "that once the military object in view has been attained, they (the British Government) will invite the aid of the Powers to make provision for the future good government of Egypt."[3] That, Lord Granville thought, ought to be sufficient to dispel the fears of Turkey as regards usurpation by England. But Turkey would not accept such inferential pledges from a Power which had committed so many breaches of faith. In fact, the very demand for a separate convention to regulate the mode and limits of co-operation between the troops of the two Powers was a new breach of faith with the European Concert which had provided in its Identic Note for a collective agreement of all the six Powers with Turkey. England was simply usurping not only the mandatory right which devolved, under the terms of that Note, solely upon Turkey, but also the rights of the Concert as a whole. But the Turkish delegates at the Conference protested in vain against these aribtrary demands. Lord Dufferin made the declaration which his chief had instructed him

[1] Egypt, No. 17 (1882), p. 262. [2] *Ib.*, p. 265. [3] *Ib.*, p. 260.

to make, and the Conference turned to the consideration of the order of the day, which included the question of the Suez Canal. "As no dissent," reported Lord Dufferin home, "has been expressed on the part of any Power or by Turkey in reference to these declarations, it is evident that our proceedings have acquired the acquiescence of all concerned."[1] Which was as ingenious an interpretation of the attitude of the Powers and the Porte as the complaint which the same wily diplomatist made to the Conference a few days later to the effect that the Porte had, properly speaking, not given yet a definite reply to the Identic Note![2]

Ultimately the Porte had to yield on all the disputed points. On August 9 the Porte submitted through its Ambassador in London the draft of a military convention, which provided for the stay of Turkish troops in Egypt for a term of three months, the military operations to be conducted by them, and the English troops remaining at Alexandria. All the prisoners were to be handed over to the Khedive, and all the details of the campaign and subsequent administration were to be settled jointly by the Turkish and English commanders.[3] Naturally these pretensions were merely pooh-poohed. The counter-draft of Lord Granville provided for a Turkish army, not exceeding 5000, to be landed at a definite spot, the army to remain under its own commander-in-chief, who would have, however, by his side an English commissioner; no movement or disposition of the army to take place without the consent of the English commander-in-chief, and the troops to evacuate simultaneously with the British on the completion of the task.[4] In other words, the Turkish troops were to be mere auxiliaries, the whole conduct of the campaign, as well as the subsequent arrangements, remaining in the hands of the English.

[1] Egypt, No. 17 (1882), p. 328. [2] *Ib.*, p. 324.
[3] *Ib.*, p. 316. [4] *Ib.*, p. 310.

It is unnecessary to trace in detail the tedious and wholly unreal negotiations which ensued on the basis of these proposals. We call them unreal because while they were being carried on English troops were already engaged in operations on the Nile, and both parties were aware that with every moment that passed the object for which the convention was being negotiated was vanishing in the air. Yet the British Government would not abate a single one of its terms, while the Porte, desirous to maintain her sovereign rights, was doing her best to induce her adversary to modify them. The negotiations dragged on for a whole month, and it was not until September 13 that Lord Dufferin was instructed to sign the convention. But that was the day of the Battle of Tel-el-Kebir, which ended the whole Egyptian Question! Well might Lord Granville telegraph to Lord Dufferin, with a thinly veiled irony, that he presumed "that the emergency having passed, His Majesty the Sultan would not now consider it necessary to send troops to Egypt." [1]

Thus the whole affair ended in a farce. The Sultan wanted to legitimise his position in Egypt by sending troops *post festum*, but the British Government demurred. "The occasion," wrote Lord Granville to Lord Dufferin five days after the battle at Tel-el-Kebir,[2] "the occasion of the proposed Military Convention between this country and Turkey having passed away, Her Majesty's Government rejoice that it is no longer necessary to discuss the difficulties which have been raised by His Majesty. Your Excellency is, therefore, authorised to convey to the Sultan, in the most courteous terms, the permission given you to drop the negotiations on this question."

The long-drawn comedy of Turkish intervention was thus at an end. Numerous apologies were subsequently published to the world, exonerating British diplomacy of the charge of duplicity, and putting the whole blame on Turkey, who, by her obstinacy, had forfeited her

[1] Egypt, No. 18 (1882), p. 67. [2] *Ib.*, p. 69.

position in Egypt. It is not necessary to side on this occasion with Turkey, in order to express one's disgust at the conduct of the British Government. Turkey, no doubt, committed a big mistake, from the point of view of her own political interests, in not agreeing at once to interfere in Egyptian affairs. The same mistake was also committed by France when it declared by the mouth of M. Freycinet that the last method of intervention on her part would be to send troops to Egypt. When the two chief Powers concerned thus voluntarily eliminated themselves England, who had no such scruples, was bound to triumph. The main point, however, to remember is, that the moment England felt that Turkey would, at last, interfere, she, by an act of unprecedented barbarity and faithlessness, interfered herself, after which any intervention on the part of Turkey was bound to be reduced to mere assistance, conveying no such rights as properly belonged to Turkey as the Suzerain Power of Egypt. Small wonder that the Porte hesitated to act in such capacity, and would not agree to sign a convention which left her nothing but the rôle of England's handmaid. It is, therefore, nothing but hypocrisy to declare that Turkey has lost her predominant position in Egypt through the faults of her own diplomacy. That position was lost on July 11, when the English fleet bombarded the city of Alexandria.

Previous to the farcical ending of the Anglo-Turkish negotiations ended the comedy of the Constantinople Conference. Its proceedings became meaningless from the moment that Bismarck had agreed to allow England to proceed on her own responsibility, and on August 11 the Austrian Chargé d'Affaires in London communicated to Lord Granville the opinion of his Government that, the question of a convention with Turkey once settled, the Conference "should suspend its sittings till military action was concluded." [1] He only suggested that, before

[1] Egypt, No. 17 (1882), pp. 321–2.

breaking up, the Conference should adopt a declaration in the sense of Lord Dufferin's assurance of July 30, that "the definitive settlement of the Egyptian question must be reserved for the discussion and decision of Europe."

To this Lord Granville readily agreed, and at the next sitting of the Conference on August 14 the Italian delegate suggested that it was time to suspend the proceedings of the Conference. Every one agreed, with the exception of the Turkish delegates, who protested against being left in the lurch at a most critical moment, and reserved to themselves the right of informing their colleagues of the date of the next meeting.[1] But that meeting never came off. It had been the intention to hold a special and formal meeting, in order to enter into the Protocol the declaration that "an amicable understanding exists between the European Cabinets that no definitive settlement of the Egyptian question is to take place except with the co-operation of all the Powers."[2] The idea, however, was disagreeable to the British Government, who was ever prepared to defer to the counsels of the European Concert when it could not make its own prevail, but was extremely chary to refer to it when it was in the position of a happy possessor. "These repeated declarations," remarked Lord Granville on hearing of the proposed protocol, "appear to Her Majesty's Government to be superfluous,"[3] but Count Kalnoky insisting upon it and being even prepared to take upon himself the initiative in calling together a meeting of the Conference, Lord Granville expressed his consent, provided the word "co-operation" was altered to that of "communication" or "consultation"![4] The anxiety to back out from the previous pledges was unmistakable, but Count Kalnoky, desirous to effect a compromise, suggested instead the word "*concours*." But this again did not please Lord Granville. It would

[1] Egypt, No. 17 (1882), pp. 335–6.
[2] *Ib.*, No. 18 (1882), p. 1.
[3] *Ib.*, p. 1. [4] *Ib.*

mean, he said, that "the dissent of a single Power might vitiate the settlement," and he officially, emphasising the words "with the approval of the Cabinet," proposed the formerly suggested words "communication" or "consultation." "Her Majesty's Government," he declared, "had no intention of withdrawing from the declarations which they had already made," and although the declaration now under consideration "seemed to them somewhat superfluous," they were, nevertheless, "ready to agree to it, if the words which they had suggested were adopted."[1] When a Foreign Secretary speaks "with the approval of the Cabinet," it means that he gives you an ultimatum, and Count Kalnoky, having, no doubt, exchanged views with Bismarck, agreed to drop the whole matter, preferring to leave it officially where it stood on July 30. Thus the Conference ended on a semitone, as it were, and England escaped a rather unpleasant ordeal.

It will naturally be asked, And what about France? The answer is simple: from the moment France had made up her mind not to follow England in applying force for the solution of what was euphemistically called the Egyptian question, and her fleet, on the memorable day of July 11, withdrew from Alexandria, she had the alternative only of two courses—either to declare war upon England or try to impose upon her in the action she was going to take such limitations as would prevent Egypt falling entirely into her hands, to the exclusion of other Powers and France herself. She wisely chose the latter course, in which she appeared to have the aid of Bismarck. So profound, indeed, was the faith of liberal France in the correctness of this course, that when M. de Freycinet appealed to the Chamber for credits to guard the Suez Canal, the Chamber refused to listen to his arguments, and his motion was thrown out. Thereupon, on August 1, he resigned, and a new Ministry was formed under M. Duclerc.

[1] Egypt, No. 18 (1882), p. 49.

Thus, owing largely to Bismarck, but also, in no small degree, to her own bold action in trampling under foot all international law and faith, England succeeded in gaining a free field all to herself; a rapid and effectively executed invasion then followed, assisted to a large extent by what the French Press of the time aptly nicknamed the "cavalry of St. George" (that is, English gold sovereigns),[1] and on September 13 Sir Garnet Wolseley scattered to the winds the ill-disciplined, corrupted, and badly led forces of Arabi at Tel-el-Kebir. Two days later Cairo was in the hands of the English, and the independence and freedom of Egypt were at an end.

The long-dreamt dream was accomplished. So much may be conceded to the apologists of the Occupation that Egypt fell into the lap of England more by accident than by any cleverly conceived design. Those, however, who have followed the present narrative with any degree of attention will agree that the desire to profit by any accident which would hand Egypt over to England was for ever present in the minds both of the British diplomatists and the public, and where the accident failed to occur it was artificially conjured up. Throughout her relations with Egypt, England never for one single moment relaxed her hold on the country, trying, on the contrary, to tighten it wherever possible, and to oust her rival, France. All her enmity against Ismail Pasha and later against Arabi was dictated by the well-grounded fear that a constitutional Egypt might easily elude her grasp, and it was only the consideration that any attempt to annex it might provoke, if not a war, at least considerable difficulties with Europe, that kept her back from taking a high-handed line of action with regard to Egypt, and im-

[1] For a full and authoritative account of this very instructive aspect of the Egyptian campaign see Blunt, l.c., pp. 400–411. The campaign was a fitting conclusion of the long years of aggression against Egypt. Sordid in its origins, sordid in the means used, British diplomacy in Egypt was crowned by a sordidly conducted campaign.

pelled her to seek the assistance of the Porte. The revelation that her fears on the latter head were groundless was certainly a pleasant surprise to her, but it must not be forgotten that she was no passive factor in the matter, but actively contributed to the "surprise" by placing herself resolutely in the field, and issuing a challenge to the whole of Europe by bombarding Alexandria.

The rest of the history of that year in Egypt need not detain us long. Order having been "restored" at Cairo by Sir Garnet Wolseley, Lord Dufferin was sent for from Constantinople to make a settlement of the political condition of the country conformable with English imperial and financial interests. The first thing done was to abolish the Dual Control, in the teeth of all recent pledges about the restoration of the *status quo* and the faithful discharge of international obligations. The French Government protested strongly, but with no avail. England as *beatus possidens* cared little for her former rival. France was offered by way of compensation the post of President of the Caisse, but the offer was scornfully rejected. Simultaneously the Egyptian Constitution and Parliament were annulled by decree, and Lord Dufferin was charged with the task of drawing up a new scheme of "representative" institutions which should serve as fig-leaf for the nakedness of the Khedive's restored absolutism, now become English absolutism. Lord Dufferin acquitted himself of the task with his usual ability. "It was our intention," he subsequently wrote,[1] "so to conduct our relations with the Egyptian people that they should naturally regard us as their best friends and counsellors, but we did not propose on that account arbitrarily to impose our views upon them, or to hold them in an irritating tutelage. We desired that the Egyptian people should live their own lives and administer their own Government unimpeded by any external anxieties and preoccupations." This beautiful

[1] Egypt, No. 2 (1883), p. 30.

programme was fulfilled by the establishment of two "representative" institutions, one called Legislative Council and the other General Assembly, which were to serve the purposes of self-government. The former was to be composed of thirty members, fourteen of whom were to be nominated, and the remainder elected by the Provincial Councils. They were called "Legislative" because they had no right to pass any law, but merely to express their views on the legislative proposals of the Government, which alone had the right to decide whether a law should be passed and whether the opinions of the Council should be accepted or rejected. Certain portions of the budget dealing with the revenue and expenditure assigned under the international treaties were, moreover, to be totally exempted from the survey of the Council. The Assembly was to consist of eighty-two members, of whom only forty-six were to be elected on a restricted franchise by the population, the remainder being the six Ministers and thirty members of the Legislative Council. No new direct tax was to be imposed without the consent of the Assembly, but on all other matters it had, like the Council, a mere consultative voice. It was to meet once in two years, and its sittings, like those of the Council, were to be secret.

Such was to be the new "constitution" as designed by Lord Dufferin for enabling the Egyptian people "to live their own lives and administer their own Government." It was rightly stigmatised in the House of Commons as "a perfect sham of constitutional Government,"[1] but was heartily endorsed by the British Government. The whole power in Egypt now passed into the hands of the British Consul-General, who still retained that modest title, and his subordinates, the "advisers" appointed to the various Ministries. There was no written engagement on the part of the Khedive or his Ministers that they would

[1] By Mr. Labouchere, Hansard, "Parl. Debates," Vol. 276, 1883, p. 1310.

obey the English Agent and his officials,[1] but it was understood that their obedience was henceforth expected and would be insisted on, though Lord Dufferin disclaimed any such intention. "Had I been commissioned," he wrote with his delightful hypocrisy, after completing his task of constitutional reorganisation, "to place affairs in Egypt on the footing of an Indian subject state, the outlook would have been different. The masterful hand of a Resident would have quickly bent everything to his will, and in the space of five years we should have greatly added to the material wealth and well-being of the country by the extension of its cultivated area and the consequent expansion of its revenue. . . . But the Egyptians would have justly considered these advantages as dearly purchased at the expense of their domestic independence."[2] These fine words were naturally intended for the consumption of the British and European public. In reality they represented just the state of affairs which they professed to deny. The British Consul-General became precisely such a Resident as exists in the Indian Native States, the Khedive, for whose authority the British Government had in the past evinced so much concern, being now reduced to the position of a puppet, and all the Ministers and the entire administration becoming dependent on the British officials.[3] It was a veiled protectorate which Lord Dufferin introduced, and nothing at all else.

It was necessary to find a suitable man to act the part of a Resident. Sir Edward Malet was unsuitable in many respects. For one thing, he was hated by the Egyptian

[1] Reply by Sir Edward Grey in the House of Commons to a question by Mr. Kettle, May 14, 1908.

[2] *Ib.*, No. 6 (1883), p. 83).

[3] The armed intervention by England, remarks the author of the article, "Was the Egyptian War necessary?" in "The Quarterly Review," vol. 155, 1883, p. 233, "was avowedly to restore the Khedive's authority and the *status quo*, both of which that armed intervention has destroyed as effectually as Arabi's success could ever have done."

people, and for another, he clearly lacked the strength of character and the necessary resourcefulness. Sir Auckland Colvin was also barred for the first of these reasons, and besides, his firmness was apt to pass into brutality. There remained, of those who were conversant with Egyptian financial affairs, only Sir Rivers Wilson and Sir Evelyn Baring. Probably the former would have been as suitable for the post as the latter, but his close connection with French financiers was not an advantage. And so the choice fell on Sir Evelyn Baring. On September 11 the new Resident made his reappearance in Cairo, and for twenty-six years after Egypt remained, under his "masterful hand," a will-less and manacled object of British Imperial administration.

PART III

THE ADMINISTRATION OF EGYPT

"This phrase (the Egyptian Question) does not signify, as the uninitiated in modern fiction might suppose, the question how Egypt should be handled for her own interests and the welfare of her people, but the question whether and how her and their political condition is henceforward to be determined by our interests, and for the welfare of our people."—*Mr. W. E. Gladstone, "Aggression on Egypt, and Freedom in the East."*

CHAPTER XVI

THE FINANCIAL ACHIEVEMENTS OF LORD CROMER

IN our mundane affairs success, like charity, covers a multitude of sins, and the external brilliancy of the status of the English in Egypt has contributed in a vast degree to the moral comfort of many whose conscience at first revolted against the methods by which England had contrived to plant herself in that country. "What do you want?"—so runs the usual argument. "Granted we did not arrive at our position in Egypt by fair means. But look at the results! Did we not save Egypt from ruin? Did we not magnificently improve its finances? Has not Egypt made during these twenty-seven years most remarkable progress? What matters it, after all, how we came to Egypt so long as our stay there has been of immense benefit to the Egyptian people? We have transformed Egypt into one of the most prosperous countries in the world, and that should be sufficient for our justification." And the reasoning is commonly supported by figures showing the progress made by the country in various directions—the growth of revenue and expenditure, the growth of foreign trade, the growth of railways and telegraphs, the increase of the cultivated area, of the population, and so forth.[1] It is the natural pride of an author

[1] On the day (October 28, 1907) when Lord Cromer received the Freedom of the City of London, "The Times" published an effective diagram showing the great expansion of the Egyptian revenue and expenditure, imports and exports, investment of capital, and even of postal business between 1884 and 1906.

in his work which speaks through these arguments, and it is but human that it should outweigh the other feeling—that of uneasiness as to the original right or wrong of the British occupation.

Nor is the case otherwise with Europe at large. Without any mandate whatsoever, but rather in the teeth of her own pledges to evacuate the country as soon as order was restored, England has stayed on in Egypt for over a quarter of a century, careful, indeed, not to infringe any of the essential rights of the Great Powers, but nevertheless exercising an almost absolute rule, incompatible with the Self-Denying Protocol of 1882. How was that possible? In no other way than by the potent exercise of the glamour and the advantage of success. Because England has succeeded in bringing order into the finances and administration of the country, the European Governments, whose subjects were largely interested in the financial and commercial affairs of Egypt, have allowed her to retain her illegal position on the Nile, shutting their eyes, as it were, to all previous arrangements. In fact, at one moment, as we shall see, England was plainly told that unless she succeeded in bringing the finances of Egypt into order within a brief space of time (which, indeed, was specified), she would have to clear out and yield her place to an international commission of administration. But England accomplished the task, and she was allowed to remain. Lord Cromer's success in rescuing England from that humiliating plight constitutes in no small measure his title to the gratitude of official England, and has earned for him the reputation of a great statesman.

In any history of modern Egypt an analysis of the work done by the English must, therefore, form a very vital part. What did they accomplish, and how did they accomplish it? These are two questions which must be answered before a complete view of the rôle of England in Egypt can be obtained. And as the financial reforms, effected by Lord Cromer, constitute the most important

part of the work, it is to them that we must turn in the first instance.

It is the usual procedure, when making an estimate of Lord Cromer's work, to draw a comparison between the state of Egypt at the close of Ismail Pasha's reign and that which is now seen as a result of the twenty-six years' rule of the all-powerful Proconsul. Lord Cromer was himself the author of this method of procedure. "The degree of success," he wrote as far back as 1885,[1] "which has so far attended the efforts to reform the Egyptian administration will be differently judged, according to the standard of comparison which is adopted. The only fair standard, to my mind, is to compare the state of things now with that which existed only a few years ago in Egypt." Comparisons by these standards were repeatedly made by him in the course of his annual reports, and his example was followed by his subordinates. "In order to trace what improvement has taken place," writes, for instance, Mr. F. S. Clarke in 1888, "I propose to examine the condidion of the peasants during the last few years of Ismail Pasha's reign."[2]

At first sight nothing would appear to be fairer than a comparison drawn on these lines; yet a little reflection will show that such a procedure is utterly misleading. What were the last years of Ismail Pasha's reign? They were practically not his reign, but that of the agents of the European bondholders, whose efforts were exclusively concentrated on securing the punctual and full payment of the exorbitant coupons, and who sacrificed to that end every other branch of administration. To use this period in the history of modern Egypt as a standard of comparison with any subsequent period is, therefore, to use a method of procedure which is bound to vitiate the result in advance. A proper comparison must be based on other standards, either on the standard of the period before 1876, when the coupon did not as yet dominate the administration of

[1] Egypt, No. 15 (1885), p. 4. [2] *Ib.*, No. 5 (1888), p. 2.

Egypt, or on that of the brief period of 1880–82, when the sacrifices entailed by the coupon had already, both for the benefit of the administration of the day and for that of Lord Cromer's subsequent rule, been considerably reduced by the Law of Liquidation. If we use these standards of comparison—and they, contrary to Lord Cromer's opinion, appear to be the only fair ones—the result will turn out somewhat different. In a former chapter (Ch. III) we saw what remarkable progress Egypt made under Ismail Pasha. There is no need to repeat the figures and the testimonies quoted there, but it is perfectly clear that in their light the progress made by Egypt under the rule of Lord Cromer appears at best but as a resumption and continuation of the former progress which had been interrupted by the predatory intervention of the Anglo-French Governments.

Not otherwise appears the financial progress made by Egypt during Lord Cromer's rule in comparison with the financial state of the country during the Dual Control. Here, too, we saw how by the operation of the Law of Liquidation—a measure of relief for which Ismail had been asking in vain—the Controllers succeeded in bringing about an equilibrium of the budget, so effectively that the year 1881 actually closed with a surplus of over £800,000. The budget for 1882, as approved by the Sherif Ministry, was also estimated to yield a surplus, though not so large as that of the preceding year. The revenue was estimated at £8,746,000, and the expenditure was not to exceed £8,463,000.[1] Here, then, again it is clear that the improvement in the financial administration of Egypt, effected by Lord Cromer was but the continuation of the improvement begun under the Dual Control. It follows hence that neither the starting-point was so low nor the subsequent development so novel as Lord Cromer and the general public are wont to imagine. There were kings before Agamemnon, and not such bad ones either.

[1] Egypt, No. 5 (1883), p. 79.

As a matter of fact, when the English first took over the responsibility for the administration of the country, the position did not appear to them at all as black as Lord Cromer subsequently painted it with a view to the enhancement of his own achievements. Impelled, no doubt, partly by the desire to reassure the European public as to the eventual success of the British efforts to restore order and prosperity, both Lord Dufferin and those who accompanied him in his mission, or followed it, took a rather hopeful view of the situation, minimising the extent of the ruin of the people and of the heaviness of the prevailing taxation, and trying, on the contrary, to show how comparatively easy it would be, by the application of necessary administrative measures, to correct most of the evils. Lord Dufferin, for instance, showed [1] that the land-tax, varying though it did from 16s. to £1 12s. an acre, did not fall heavily on a land which in the Delta yielded an income of from £15 to £30. The productiveness of the land in Upper Egypt was considerably less, but even there the evil of the taxation consisted much less in the actual burden which it imposed than in the utter lack of proportion in its distribution and in the antiquated land survey which dated back to the times of Mehemet Ali. Mr. Villiers Stuart, who joined Lord Dufferin in his mission, also estimated that the Egyptian peasant was not heavily taxed—in fact, less taxed than the English farmer[2]—and repudiated with indignation the impression which prevailed in England that "the taxation of Egypt had been seriously increased in order to meet the claims of the bondholders." "All my native informants," he declared, "unanimously agree that the present taxation was fixed at the commencement of the late Khedive's reign, i.e. before he had created the foreign debt." [3] Mr. Consul Cookson, in his report on the trade of Alexandria for 1883, also assured the public that "the position of the fellaheen

[1] Egypt, No. 6 (1883), p. 62. [2] *Ib.*, No. 7 (1883), p. 3. [3] *Ib.*, p. 5.

. . . has on the whole decidedly improved, as it seems by the admitted fact that they are paying off their heavy debts to private money-lenders." [1] Even Lord Northbrook, who was twelve months later sent down as High Commissioner to inquire into the financial state of the country, could still find no reason to think that there existed "any extreme poverty," by which he meant "the want of sufficient means of subsistence." The people of Egypt, he declared, were "on the whole, better off than the peasantry of India," and though much indebtedness existed, that was due not to over-taxation, but chiefly to the "recklessness of the cultivators in regard to marriage and other expenses, coupled with the facilities afforded them for obtaining loans on the security of their lands by the influx of European capital." [2]

These utterances were, no doubt, very optimistic, and were, at least in part, probably intended for the consumption of the European public, which was eager to know what the fate was to be of the precious coupon now that the English had made themselves responsible for the administration of Egypt. Nevertheless, they show how very far the English themselves were during the first year or so of the Occupation from that gloomy view which it subsequently became their policy to take of the position of affairs in Egypt on their arrival. They clearly thought that with some administrative reform the Egyptian peasants would be well able to bear the taxation which had been imposed upon them by the Law of Liquidation, and expected that the clear balances of 1880–2 would still continue to make their welcome appearance.

That they were somewhat mistaken in this belief and expectation was not the fault either of the former native rulers of Egypt or of the Dual Control. In the interval between the Sherif Ministry and the arrival of Lord Cromer there occurred the tragedy of the British intervention, and

[1] Parl. Pap., Commercial No. 1 (1885), p. 13.
[2] Egypt, No. 1 (1885), p. 87.

this circumstance brought fresh disaster to the finances of the country. The great sacrifices, financial and otherwise, which the resistance to the enemy entailed, were by themselves sufficient to upset the economic equilibrium of the country for many years to come. The English, however, in accordance with the previous decision of the Constantinople Conference (the only decision which they have respected), threw, in addition, on the Egyptian Exchequer their own expenditure in connection with the war, to which was soon added the still greater expenditure involved in the futile attempt to reconquer the Soudan from the "rebels." Lastly, there came the indemnities in connexion with the fire and destruction which followed the bombardment at Alexandria. The English were generous enough to declare that the victims of the fire ought to obtain full and speedy compensation for their losses. A commission was set up to receive and to inquire into the various claims, and so promptly did it work that in one particular day, for instance, no fewer than 210 claims were passed.[1] All in all, £3,950,000 were fixed as the sum due to the sufferers from that calamity; but when it came to payment, the British Government, so far from taking it upon themselves as the authors of the bombardment, or imposing it upon the bondholders as others insisted, saddled the Egyptian tax-payer with it! A meaner thing could scarcely have been conceived, but it was neither the first nor the last committed by the then Liberal Government in the course of its relations with Egypt.

unfair taxation

These were all new and heavy burdens which were bound to tell disadvantageously on the painfully delicate state of the Egyptian treasury. As a matter of fact, the budget of 1883 closed with a deficit of over £600,000, and the prospect for 1884 was a still greater deficit of £1,294,000.[2]

[1] Sir George Campbell, in the House of Commons (Hansard, "Parl. Debates," Vol. 277, 1883, p. 1489).
[2] Egypt, No. 8 (1885), p. 3.

It was subsequently estimated by Lord Cromer—at a time when the Soudan campaign was still going on—that by the end of 1884 the accumulated budgetary deficits, together with the liabilities entailed by that campaign, the maintenance of the army of occupation (which had also been made a charge on the Egyptian Treasury), the payment of the Alexandria indemnities, and certain other items, would form a new floating debt of some £7,800,000.[1] This meant new financial complications, and perhaps new bankruptcy.

Lord Cromer's work, then, was not altogether plain sailing, but it was nothing like the situation with which either Ismail Pasha or even the Dual Control, before the Law of Liquidation took effect, had had to grapple. Still, it was a difficulty, and it is important to see how Lord Cromer solved it.

The view commonly held in this respect is that it was all magic. Starting from the false assumption that Lord Cromer's work commenced from that low level which has become associated (again, erroneously) with the reign of Ismail Pasha, the general public is firmly convinced that nothing but the transcendent financial and administrative genius of Lord Cromer could have successfully grappled with the difficulties which confronted him on his arrival in Egypt. Lord Cromer himself repeatedly gave vent to this view. "It would be difficult," he wrote many years afterwards,[2] "to exaggerate the ruin which would have overtaken, not only the population of Egypt, but all who are interested in Egyptian affairs, if the regime of the pre-reforming days had been allowed to continue in existence but a few years longer. . . . Improvements in the system of irrigation . . . the appreciable fiscal relief . . . and generally the substitution of a civilised, in the place of an oppressive and semi-barbarous, administrative policy, have conjointly enabled Egypt to bear the strain. I have no hesitation in saying that, but for these changes, the

[1] Egypt, No. 28 (1884), p. 53. [2] *Ib.*, No. 3 (1899), p. 11.

Egyptian Treasury would before now have been hopelessly insolvent, and that the condition of the people would have been in all respects deplorable." We know now what truth there was in the assertions with regard to the "regime of the pre-reforming days." Whatever ruin there had been under it was due not so much to the regime itself as to the pressure brought on it by the unscrupulous European civilisers, and during the last few years it had, moreover, so far, at least, as finances were concerned, almost completely disappeared. But for the violent interposition of England and France in 1879, the financial and economic situation in Egypt would have righted itself, even without the Dual Control, with the assistance of the Egyptian nation itself; and but for the violent interposition of the English in 1882 even Lord Cromer would have found nothing to do.

We shall, moreover, see later on, what the "civilised administrative policy" itself amounted to, with all its fiscal reliefs and abolition of oppression. At present it is sufficient to note the praise which Lord Cromer bestows upon his own genius as having been instrumental in bringing about such marvellous changes. At a later date he spoke in a different strain and apparently with more modesty; but what he said amounted practically to the same glorification of his genius. "The financial success," he wrote on the eve of his departure from Egypt, in describing his administration, "is, indeed, mainly due to the remarkable recuperative power of the country and the industry of the inhabitants. The only merit which the Government can claim is that, in contradistinction to the former rulers, they have given Nature a chance, and have in some degree aided her efforts."[1] Here all merit, except the negative one of "giving Nature a chance," is expressly disclaimed, but that negative merit itself is represented as the exclusive property of Lord Cromer. What a marvellous insight into the elements of the problem

[1] Egypt, No. 1 (1907), p. 58.

it requried to have understood that Nature was but to be given a chance, and the whole problem would be settled! "It is, perhaps, forgotten," Lord Cromer says on another occasion, "that, in the long course of Egyptian history, it is only during the last quarter of a century that Nature, with a certain amount of aid from man, has had the opportunity of showing the productive capabilities of the country. . . . It is not too much to say that if the action of the governing body had been purely negative—that is to say, if they had confined themselves to striking off the shackles which formerly fettered the action of the whole population—and if they had merely restricted State action to its proper function, a high degree of prosperity would have been attained." [1] It was a wonderful feat to have accomplished. For the first time in Egyptian history the shackles which had oppressed the population had been struck off, and Nature did the rest. Such a double blessing has never been conferred by any Government upon any country!

Pity only that the whole is nothing but a fairy-tale. Lord Cromer had not been in Egypt many months before he saw that without a very substantial aid to Nature the new financial difficulties would not be overcome. The economic resources of the people were, after the devastations of the war, at a very low ebb; to this was soon added a commercial and industrial slump, which ruined many a small peasant and told heavily on the prosperity even of the larger landowner, and it appeared as a vain chimera even to attempt an increase of taxation in order to meet the new liabilities. It was true that the assigned, that is, the bondholders' portion of the budget worked, even in these unfavourable months, with considerable success, so much so, indeed, that even the budget for 1884 promised a surplus of some £400,000.[2] But that surplus was unavailable, as it had to be devoted, in accordance

[1] Egypt, No. 1 (1906), pp. 18 and 20.
[2] *Ib.*, No. 17 (1884), p. 3.

with the Liquidation Law, to the redemption of stock. There appeared to be no way out but to have recourse to the good old method of raising a new loan to wipe out the accumulated floating liabilities, and to effect some suitable alteration in the Liquidation Law. A new Commission, of whom Lord Cromer was himself a member, arrived exactly at this conclusion and made a series of highly interesting proposals to Lord Granville with a view to laying them before a new European Conference.[1] The first was that England should guarantee a loan of £8,000,000 at 4½ per cent. That would go towards the settlement of the floating debt, but would add a new burden on the Treasury of over £350,000. Even under the most economical management of the financial resources the budget would then yield a permanent deficit of £376,000. But that itself was on the assumption that no distinction would be made between the assigned and non-assigned revenue. "We have assumed," says the report of the Commission, "that the surplus on the assigned revenues will be devoted to administrative expenditure, and not, as heretofore, to the purchase of Unified Stock on the market. If this be not assumed, the result would be to increase heavily the normal deficit, and also the floating debt to the end of 1884." And the Commission makes a proposal that no such distinction should be made! [2]

In other words, one of the most vital provisions of the Law of 1880, which had aroused the protest of the Egyptian nation, as a vandalic measure calculated to stem all material and moral progress of the country in order that the bondholders might get compensation for the sacrifice of their usurious interest, was now declared to be mischievous by the English themselves—not, indeed, out of consideration for the Egyptians, but because they now found it detrimental to their own interests as administrators. If that had been done and acted upon in 1880, how much would have been avoided! There would have

[1] See Egypt, No. 28 (1884).
[2] *Ib.*, p. 55.

been no revolution and no intervention and occupation. But even that was not all. By what means was the deficit of £376,000, which was inevitable even with the above alteration in the Law of 1880, to be got rid of? By no other, declared the Commission, than by a reduction of the interest on all former debt by one-half per cent—in other words, by a renewed act of bankruptcy! Again a method of dealing with the financial difficulty was proposed which had so much been decried in the past when the Egyptians themselves wanted to do it! Such a proposal made by Ismail led to the intervention, backed up by the British Government, by Mr. Goschen and by his French colleague M. Joubert, and was the origin of all the subsequent acts of barbarism. But, of course, *quod licet Jovi non licet bovi.*

These proposals of the Commission received the prompt attention of the British Government, and in April, 1884, Lord Granville invited the Powers to send delegates to a Conference to revise the provisions of the Law of Liquidation in accordance with the new scheme. With a view to lending greater force to this invitation, and to meeting the possible objection of the Powers to any fresh sacrifices of the bondholders' interests, the now familiar method of agitation was again resorted to, and in striking contrast to what had been solemnly given out to the world but a few months previously the figure of the starving, ruined, and down-trodden fellah was once more trotted out. "During my journey in Upper Egypt," reported Mr. (afterwards Sir) Edgar Vincent, the new financial "Adviser" in succession to Sir Auckland Colvin, who had resigned, "I have been much struck by the great poverty of the fellaheen. . . . The wretchedness of the peasantry there . . . surpasses anything I have seen in other countries." So far from being able to bear any increased taxation, the peasants' land-tax in those parts "must be reduced, if it is to be collected regularly." [1] Sultan Pasha was of a similar opinion. "The state of the country," he

[1] Egypt, No. 31 (1884), p. 20.

was reported as saying, "was never so bad, the peasantry, owing to the fall in price of their produce, and their debts, are in such difficulties that it would be impossible to expect much more than half the produce of the land-tax in the ensuing year." [1] He was of the opinion that the land-tax ought to be reduced in Lower Egypt by 20, and in Upper Egypt by 25 per cent. Nubar Pasha, who now was Prime Minister in the place of Sherif, also thought that at least £1,000,000 ought to be abated from the land-tax; a smaller measure of relief would leave the peasantry still in the grip of the money-lenders.[2] Mr. Gibson, the head of the new Cadastral Survey, made a most detailed calculation of the revenue and expenditure of an average small peasant, and arrived at the conclusion that "some relief is of immediate necessity." [3] Also Colonel (afterwards Sir) Scott-Moncrieff, who had been placed in charge of the Public Works department, reported that "the state of the country was sufficient to arouse grave anxiety," and that a whole series of causes, including the fall of prices, cattle disease, the cotton-worm, and so forth, "all rendered the people less capable of bearing their heavy load of taxation." [4] "Some of the most costly branches of administration," he complained, "existed in the interests of the bondholders, not of the country," and he therefore demanded a reduction of the interest on the debt.[5]

It was really wonderful to see how suddenly the new rulers became aware of the injustice of the burdens which rested upon the unfortunate Egyptian people, which they themselves had previously either ignored or denied. Nor was the way less remarkable in which they emphasised the causes which aggravated the situation—the fall of prices, the cattle disease, etc.—as if they had been a thing unknown in the previous history of Egypt; for instance, in the year 1878–9, when thousands upon thousands had been

negative effects

[1] Egypt, No. 25 (1884), pp. 73–4.
[2] *Ib.*, No. 25 (1884), p. 75.
[3] *Ib.*, No. 31 (1884), p. 6.
[4] *Ib.*, No. 31 (1884), p. 1.
[5] *Ib.*, p. 4.

starved to death, and yet the heavy taxes were collected with the utmost rigour.[1] It is also to be noted how carefully all allusion was avoided to the prime factor of the new difficulties, viz. the intervention of England and her kindness in making the Egyptians pay for their own subjection. To cap the whole, Lord Cromer transmits a memorandum in which, on the strength of the reports which he had "just received" from India, he declares, in the teeth of his own pathetic assurances of a few years previously, that "the average Egyptian rates on Kharadji lands are far in excess of the rates levied on exceptionally good lands in India!"[2] How wonderfully our judgments differ with the change of our interests!

But all this cleverly engineered agitation proved of no avail. France, who was glad to get England into a "tight corner," flatly refused to consent either to a loan by England or to the reduction of the interest on the debt, pointing out, with justice, that but a few months previously the reports of the British officials in Egypt were couched in a totally different tone. No doubt, she also reminded Lord Granville of a certain despatch of his, dated July 23, 1882,[3] in which, in order to justify his insistence on immediate invasion, he assured M. de Freycinet, on first-hand authority, that "if order could be restored before the end of August the recovery of prosperity in Egypt would be surprising; but that if anarchy was allowed to continue during October and November, the ruin of the country would probably be complete." The restoration of "order,"

[1] Egypt, No. 17 (1885) swarms with memoranda and special reports showing the effects of the recent fall of prices of most of the Egyptian export articles. Lord Cromer wrote himself that it was the "great fall in the value of cereals . . . which has greatly impoverished the people in Upper Egypt . . . and which renders a reduction of the land-tax in the corn-producing districts absolutely necessary" (Egypt, No. 15 (1885), p. 41). What a pity he did not see the same necessity in those years when Ismail pleaded for some relief, be it in the way of merely postponing the payment of a coupon for a few months, on similar grounds.

[2] *Ib.*, No. 31 (1884), p. 21. [3] *Ib.*, No. 17 (1882), p. 199.

it is true, was not complete till after the middle of September, but with all that the ruin which was due in October and November could not have been "complete" then. The conference which assembled in London in June had to disperse in less than two months, without having arrived at any decision.

It was then that Lord Cromer, being baffled in one direction, decided to take a leaf out of Ismail's book, and attempted a little *coup d'état* on his own account in violation of the "sacred" international obligations which were incumbent upon Egypt. He ordered, through the instrumentality of a Khedivial Decree, that all the assigned revenue should be directed to the Ministry of Finance, instead of to the Caisse, and suspended further amortisation. The act was a very daring one, and it ended in a complete fiasco. The Commissioners of the Caisse, following the example set on the initiative of their former colleague in 1879, brought an action against the Minister of Finance, the President of the Council, and the Governors of the assigned provinces before the Mixed Courts, and the Egyptian Government was ordered to pay back twenty-seven million francs. England attempted to justify her action, but all the Powers supported France, and England had to acquiesce in the defeat.[1]

[1] Egypt, No. 36 (1884), pp. 17–21. It is interesting to note that at first the idea was to grab the Tribute to the Porte, but the Tribute being pledged to the British holders of the Ottoman bonds, Lord Northbrook emphatically refused to do so. It was then that Lord Cromer and his colleagues decided to lay their hands on the Caisse.

CHAPTER XVII

THE FINANCIAL ACHIEVEMENTS OF LORD CROMER

(*concluded*)

THE situation after the failure to get the sanction of Europe to the new financial scheme looked exceedingly ugly. In October Lord Cromer again transmitted to London one of those famous batches of consular reports about the terrible state of the country which had become by that time quite a regular diplomatic procedure. "The peasants," Lord Cromer stated in the covering despatch, "are there represented as living in mud-built huts, going about almost naked, and deriving scanty subsistence from maize loaves and onions, the nominal value of the produce grown by them being barely sufficient to meet the taxes and to provide for their wretched maintenance." [1] In his anxiety to prove that there was absolutely nothing to be got out of the impoverished fellah, Lord Cromer did not mind telling the public that he was having recourse to the most drastic means of squeezing out the taxes, thus making a justification of what previously had served as an article of indictment against the "oppressive and semi-barbarous" régime of the "former rulers." One of his consular agents, for instance, declared: "It is true that in former years the taxes were heavier, but the prices of the produce were much better, and the Government used to collect of it as much as they could without enforcing such orders as in the present year." [2] Mr. Gibson also describes

[1] Egypt, No. 1 (1885), p. 48. [2] *Ib.*, p. 49.

the situation in the same plain words: "It is evident that the condition of the fellaheen is even worse than it was two years ago. It is true that the revenue of last year (1884) has been collected as usual, and that creditors have even succeeded in recovering debts contracted before the war of 1882; but this must not be accepted as evidence of a state of prosperity equal to that of former years. Considerable pressure has been required to collect the instalments, and a good deal of land has been sold to provide means of meeting the claims of the Government and of paying interest on private debts." [1]

Here, too, it will be observed, not a word was said about the fact that the financial difficulties were mainly due to the new burdens which England had thrown on the Egyptian Treasury. All of them were ascribed to factors beyond human control. It was true, nevertheless, that, from one cause or another, the Egyptian Treasury, as confessed by Sir Edgar Vincent, was during 1884, at two distinct periods, within £5000 of suspending payment.[2]

In the autumn of 1884 the British Government, probably in sheer despair, sent out to Egypt Lord Northbrook to inquire whether the situation was really so bad that nothing short of a financial reform, as recommended by Lord Cromer, would ever solve the difficulties. Lord Northbrook, a Baring himself, took the same view as Lord Cromer, with that difference, however, that he did not describe the position in such dark colours as the latter had done.[3] This was a more sensible proceeding, since there can be no doubt that Lord Cromer had considerably overreached himself, and by his pessimistic pictures had led the public to think that the conditions were so hopeless that by no reform could they be remedied. Lord Cromer himself soon perceived his tactical mistake, and in a lengthy report on the "state of Egypt and the progress of administrative reforms," at the beginning of 1885, he

[1] Egypt, No. 15 (1885), p. 94. [2] *Ib.*, No. 17 (1885), pp. 51–2.
[3] His Report is in Egypt, No. 1 (1885).

drew a far more hopeful picture of the situation, with special reference to the brilliant prospects in the future.[1] "But," he added, "I repeat that I only speak with this degree of confidence on the assumption that a prompt and satisfactory solution of the financial difficulties, which have been for so long pending, will shortly be found."[2] In another report he stated with great emphasis that "there is not here, as in India, any deep-lying economic problem to solve, over which the Government can exercise but little influence,"[3] thus replying to the objections which had been raised by his former reports.

These tactics succeeded much better than the former. There was, besides, the consideration that for lack of money the indemnities to the European sufferers from the Alexandria fire had not yet been paid, and the international riff-raff was naturally impatient to get them. In November, 1884, Lord Granville again circularised the various Governments, submitting to them, on the strength of Lord Northbrook's report, a fresh set of proposals. The chief of them were:[4] a loan of £5,000,000 net at 3½ per cent interest to be guaranteed by the British Government, the interest on the unified debt and the Daira Stock to be reduced by one-half per cent, all sinking funds to be suspended, the Daira and the Domain lands to be sold, foreigners to be taxed, and the land-tax to be reduced by some £450,000. This time the negotiations went on more smoothly, the main point of contention being the question who should guarantee the loan. In recommending it, Lord Northbrook frankly stated that the effect of this and the other proposals "will undoubtedly be to substitute the financial control of England for the international control"; he added, however, somewhat naively, that he could not see "what objections the other Powers of Europe could entertain to this control being exercised by Great Britain after the sacrifices which had been made in

[1] Egypt, No. 15 (1885).
[2] *Ib.*, p. 41.
[3] *Ib.*, p. 45.
[4] *Ib.*, No. 4 (1885), p. 20.

maintaining the peace and safety of Egypt."[1] The "other Powers," however, saw plenty of objections to handing over Egypt entirely to England, and demanded the substitution of a loan guaranteed by all the Powers. The British Government was very reluctant to let such a golden opportunity slip between its fingers, and the negotiations dragged on for several months. Ultimately, on March 18, 1885, a Convention was signed in London which gave the Egyptian Government the necessary relief, though not on the terms which England had been insisting upon.

The provisions of the Convention were of great importance.[2] First, they sanctioned a loan of £9,000,000 nominal at 3½ per cent interest, to be raised through the Rothschild House under the joint guarantee of all the Powers. The proceeds were to be devoted, in the first instance, to the payment of the Alexandria indemnities, and then to meet the accumulated deficits of the former two years (£2,600,000); to covering the expected deficit for 1885 (£1,200,000); to irrigation purposes (£1,000,000); and to certain other items. Then, a tax of 5 per cent was to be levied on the coupons for a period of two years—that is, a deduction of 5 per cent was to be made from the payments on the debt, and the sinking fund on the greater part of the debt was to be suspended for a similar period. Further, the provision of the Law of Liquidation concerning the disposal of the surplus revenue was abolished and another substituted in its place, according to which the deficits on the non-assigned budget were to be covered from the assigned revenue and all general surplus was to be divided into two parts, one to be handed over to the Caisse, and the other to the Egyptian Government. With a view, however, to safeguarding this clause against possible abuses, the administrative expenditure—that is, the one which corresponded to the non-assigned revenue—was permanently fixed at £5,237,000. Lastly, as further mea-

[1] Lord Cromer, l.c., Vol. II, p. 370.
[2] Egypt, No. 7 (1885), and No. 17 (1885), p. 121 and following.

sures of financial relief, the Egyptian Government was given the right to sell the Daira and Domain lands, and to negotiate for the taxation of foreigners.

A consideration of these provisions will show what a great amount of relief was offered by them to the new rulers of Egypt. It is true that no permanent reduction of the interest on the debt was granted, but the suspension of the sinking funds, the 5 per cent tax on the coupons, the new arrangement with regard to the surpluses, the right to tax foreigners, and last, but not least, the permanent provision for a minimum of administrative revenue —all formed together a relief far outweighing any advantage that could have been gained by a simple reduction of the interest such as had been effected in 1880. The Egyptian administration could now be sure that the economic progress of the country would henceforth redound not only to the advantage of the bondholders, but also to its own; while its temporary difficulties would at the same time be swept away by the extraordinary measures of the loan and the temporary tax on the coupon.

But there was yet another very substantial measure of relief offered by the Convention which we have hitherto not mentioned. It will have been, perhaps, noticed from the utterances quoted above that much stress was laid at the time on the necessity of reducing the land-tax as a means of alleviating the distressed condition of the peasantry. This humane provision had been formally insisted upon by Lord Northbrook and granted by the Convention. The latter estimated the land-tax at £4,668,000, instead of £5,118,000, as in 1884, allowing the Egyptian Government to remit the difference—that is, £450,000—to the peasantry. The Egyptian Government, however, i.e. Lord Cromer, found a way to appropriate the whole of this sum for administrative purposes. As soon as the necessary Khedivial decree sanctioning this remission of taxation was issued, it was discovered that the budgetary balance-

sheets invariably contained a large number of "non-valeurs," that is, fictitious amounts of land-tax from the poorer districts which had not been collected and were in reality irrecoverable arrears. These non-valeurs averaged from year to year something like £200,000. Lord Cromer now found that he could, and indeed must, retain a similar sum as a "margin" against these irrecoverable taxes—that is, devote £200,000 out of the £450,000 granted to the peasants to the remission of these fictitious proceeds. In other words, instead of actually remitting taxation to the extent of £200,000, he only struck out, to a similar amount, from the accounts of the land-tax such proceeds as were really non-existent, leaving the amount actually collected the same as before.[1] By this simple process he gained two objects—first, he did not sacrifice a single penny of the revenue from the land-tax, which under the circumstances meant a gain of £200,000; and, second, he was afterwards enabled to boast that under his administration the peasants received a relief in taxation, which had never been the case under the former "oppressive and semi-barbarous" régime.

But there remained yet another £250,000. This was disposed of in a similar ingenious manner. We have to deal here with the famous "abolition" of the *corvée* labour, which constitutes one of the greatest reforms effected by Lord Cromer. We shall treat the subject more fully in a subsequent chapter, but here it is necessary to note that the whole of that sum of £250,000, instead of being remitted to the peasantry in the shape of land-tax, was applied to the hire of free labour in substitution for the forced *corvée*. Lord Cromer and his men ingeniously argued that inasmuch as the carrying out of this reform would necessitate an outlay of money which could only be raised by fresh taxation, they might as well, instead of doing that, simply abstain from remitting the £250,000 which had been designated in relief of the land-tax payer.

[1] Egypt, No. 3 (1887), p. 20; No. 11 (1887), p. 94.

This, with the sanction of the British Government, was done, and the fellaheen were cheated of another quarter of a million.[1] The French Government attempted to protest against this infraction of the Convention, but owing to the diplomatic intervention of Russia the matter was allowed to drop.[2]

In this way Lord Cromer came into possession of very substantial means to effect a radical improvement in the financial administration of Egypt. The reader will agree that these means constituted something more than "a certain amount of aid from man," as Lord Cromer subsequently termed it; in fact, without these means Lord Cromer would not have succeeded in his task at all; while, had they been placed at the disposal of the Egyptian Government a few years previously, they would have rendered Lord Cromer's beneficent exertions quite unnecessary.[3]

Nevertheless, most of these means were bound to have an effect only in the future; while for the present the coupon, and a larger one, had to be met at an undiminished rate of interest. This was awkward enough, but it had been rendered still more so by the stipulation, made by the Convention at the instance of France, that if Lord

[1] Egypt, No. 4 (1886), pp. 40–42.
[2] *Ib.*, No. 11 (1887), pp. 60–71.
[3] In order not to mar the picture of Nature aiding herself, Lord Cromer devotes to the whole of this important subject of the London Convention a few meaningless sentences. 'A Conference of the Powers," he tells us ("Modern Egypt," Vol. II, p. 366), "assembled in London in the summer of 1884 to consider the financial situation, but separated without arriving at any practical conclusions." And in a footnote he adds: "Subsequently, some decisions were taken as regards the matters discussed at the Conference. They were embodied in an agreement signed in London by the representatives of all the Great Powers on March 17, 1885." This is a good sample of Lord Cromer's veracity and historical impartiality. In the "Table of Events" at the close of the second volume the date of March 18, 1885, is marked as follows: "An Egyptian loan of £9,000,000 is guaranteed by the Powers." Nothing more! This is the sort of foundation on which Lord Cromer's fame rests.

Cromer should fail to bring about within three years a financial equilibrium, an international commission would supersede him and take over the financial management of the country. Here was a task set before Lord Cromer which was both financial and political, and the fact that he acquitted himself of it with success is marked evidence of his energy and ability.

It is, of course, impossible to trace in anything like detail all the various means by which this success was attained. Most of them belong to the administrative domain, and a record of them either does not exist at all or is buried in the archives. There have been no commissions of inquiry to expose Lord Cromer's administrative practice, as was the case in the time of Ismail Pasha, and Lord Cromer himself was naturally reticent on that head. Nevertheless, even from his own reports some information can be gleaned concerning the various individual measures which were taken by him to balance the budget, and the impression thus gained of his work cannot be said to be very favourable. The budget, for instance, of 1885 closed with a surplus of over £500,000.[1] Lord Cromer himself, in reporting to Lord Rosebery, has to confess that "the land-tax was collected with great stringency,"[2] that is, by methods which are supposed to have been characteristic only of the "oppressive and semi-barbarous" régime of the past. We learn that in that year, 1885, a beginning was made with that barbarous policy of selling the Domains and Daira lands, which, though it yielded considerable revenue for a good number of years, nevertheless deprived the Egyptian State of a great and permanent source of wealth.[3] It was a policy not unlike that which had been pursued by Ismail Pasha in the matter of the Moukabala—

[1] Egypt, No. 4 (1886), p. 178. [2] *Ib.*, p. 179.
[3] Egypt, No. 1 (1898), p. 53. The last plots of the Domains were sold in 1908, and the total sum netted was £E3,200,000. The greater portion of Domain lands have also been sold for about £E12,000,000. Native opinion, however, places the present value of the sold lands at £E130,000,000 ("Al-Ahram," July 5, 1907).

that is, a policy of forfeiting the future for the sake of the momentary present. In the very first year of 1885 land to the value of not less than £437,000 was sold; in the course of the following two years much smaller quantities were sold, but still a sum of £118,000 was realised.[1]

A year later another remarkable source of income was discovered in the shape of payments for exemption from military service. A decree was issued in June, 1886, in virtue of which persons liable to conscription could purchase their exemption from service on payment of certain sums of money, ranging from £40 before the drawing of conscripts to £100 after being called under the colours. "The decree," Lord Cromer reported home, "will not only be popular throughout the country, but a considerable sum will thereby be added to the revenues of the country."[2] As regards the expectation of popularity for the measure, that was only Lord Cromer's *façon de parler*. As a matter of fact, the decree was severely criticised even in England. But as regards revenue, the expectations were amply fulfilled. Indeed, the whole measure was designed solely for financial purposes, being at bottom nothing but a means of levying blackmail on the population of Egypt in accordance with the varying requirements of the Exchequer. In October, 1886, 262,000 persons were summoned to do military service. Of these, 114,000 were passed as fit, and 3141 paid their *rachat*. The total sum netted by these means was £159,000.[3] In the following year the sum obtained in this way was £28,100.[4] Lord Cromer tried to justify the measure on the ground that most of those who were purchasing their exemption were sons of the well-to-do. Thus, he pointed out, of the sum obtained in 1886 not less than £95,000 were paid by sons of Sheikhs and rich landowners.[5] Apart, however, from the dishonesty of levying blackmail even on the richer

[1] Egypt, No. 1 (1898), p. 53. [2] *Ib.*, No. 2 (1887), p. 26.
[3] *Ib.*, No. 3 (1887), p. 108. In subsequent accounts this figure became £249,000.
[4] *Ib.*, No. 4 (1888), p. 5. [5] *Ib.*, No. 3 (1887), p. 108.

classes, there still remained a sum of over £60,000 which was paid by members of the fellah class. There can be no doubt as to the amount of ruin which such a sum entailed on the poor peasants whose sons had been specially drawn by the conscription-net in order to be bled for *rachat*.

In addition to these recorded measures there must have been a number of others, minor and unrecorded, which all helped Lord Cromer to tide over the fateful three years of 1885–7. We do not know, for instance, whether some part of the million pounds, which had been assigned by the Convention for irrigation purposes, was not used for other objects, seeing that the records only contain the mention of comparatively trifling sums spent on the reconstruction of the Nile barrage and some minor work on the canals.[1] No doubt, the money was afterwards repaid, but in the meantime it might have—and probably was—used for balancing the budget. Then we know that large sums of money were from time to time borrowed from the Caisse—a procedure which, of course, would not have been permitted under any of the former regimes. By a decree, dated June 22, 1886, the Commissioners of the Caisse were "permitted" to lend their free balances to the Government on security,[2] and at the same time a campaign was started to get the Commissioners altogether out of the way. Sir Henry Drummond-Wolff, who was at the time in Egypt, bitterly complained to Lord Rosebery of the interference of the Caisse in the affairs of Egypt—"often," as he said, "in direct opposition to the financial policy of the Government, assisted by the suggestions of the Financial Adviser." "It is clearly a point to be considered," he continued, after the manner of the pot calling the kettle black, "how far it is advisable to confer such powers on a body of foreigners. . . . I would submit that some steps

[1] The first expenditure of £470,300 was only made on January 11, 1887 (Egypt, No. 11 (1887), p. 22).
[2] Egypt, No. 3 (1887), p. 47.

should be taken to harmonise the functions of the Caisse with the general interests of the Egyptian people."[1] It certainly strikes one as odd that the English should have discovered the injustice of a body of foreigners interfering in the internal affairs of Egypt only in 1886. The reason for that, however, is transparent, but it proved, all the same, unavailing. The French would not agree to allow the Egyptian Government to take possession of the sums which were in the hands of the Caisse, and Lord Cromer had to content himself with borrowing on "security."

With all that, when the year 1887 came there was still some prospect that the budget might close with a deficit. Between 1884 and 1887 the yield of direct taxes only rose from £5,407,000 to £5,468,000, in spite of the fact that in 1887 foreigners were for the first time charged with the house-tax. The product of indirect taxation also rose to but a slight extent—namely, from £1,629,000 to £1,741,000. At the same time the non-tax income declined within this period from £1,865,000 to £1,788,000.[2] This slow progress was, no doubt, due to the ruin of the country consequent on the war and the general fall of prices. In these circumstances a number of extraordinary measures had to be taken in order to present a clean balance-sheet and, in addition, to discharge the obligation imposed by the Convention with regard to the repayment of the deductions from the coupons, now amounting to £437,000. Lord Cromer decided on a little juggling. The salaries to Government officials had hitherto been paid on the last day of the month. Now it was suddenly decided to pay them on the first day of the month following. The effect of this measure was that only eleven months' salaries were charged on the budget of 1887, by which a sum of £200,000 was temporarily gained.[3] A similar procedure was taken with regard to the Daira and Domains accounts. Their financial accounts were usually made up by April 1. Now

[1] Egypt, No. 5 (1887), p. 25. [2] *Ib.*, No. 4 (1888), p. 3.
[3] *Ib.*, p. 6.

it was decided to close books at the end of December, and the deficiency for three months, aggregating £140,000, was transferred to the accounts of 1888.[1] By these means the expenditure for the year 1887 was reduced from £9,531,000 to £9,191,000, and a surplus was obtained of £450,000, which helped to pay off the deductions from the coupons.[2] On March 21, 1887, Lord Cromer solemnly informed the home authorities that the Egyptian Government had paid the Caisse all the arrears and no longer considered it necessary to levy a tax of 5 per cent on the coupons.[3]

Thus, by dint of some most extraordinary manipulations, coupled with financial measures of most questionable morality, the situation was saved both for England and Lord Cromer himself. Of course, the budget of 1888 presented new difficulties, arising out of the transference to it of some liabilities which properly belonged to that of the preceding year. But these difficulties were easily overcome. On the plea of some unrest on the frontier, an immense number of recruits were called out, and at the same time the amount of *rachat* was lowered from £40 to £20, so as to bring the "privilege" of exemption within the reach of the poorer classes. The result was a gain of £159,000.[4] Then a *rachat* for *corvée* labour was introduced, on similar principles of blackmail, to the amount of 30 piasters in Upper, and 40 piasters in Lower Egypt, with the excellent result that the Exchequer was enriched in that year by £88,000, as against £6000 in 1887, which had been raised by the special *corvée* tax.[5] Lastly, a new source of revenue was tapped in that year in the shape of an excise duty on native tobacco. That article had hitherto been paying an *octroi* of 3 piasters tariff per oke (2¾ lb.), and tobacco farms had been charged with a tax of 250 piasters tariff per acre. As the average yield of tobacco land was about 250 okes, native tobacco was paying to the Exchequer

[1] Egypt, No. 4 (1888), p. 6. [2] *Ib.*
[3] *Ib.*, No. 11 (1887), p. 85. [4] *Ib.*, No. 4 (1889), p. 25.
[5] *Ib.*, p. 25.

4 piasters tariff per oke. Lord Cromer now made the discovery that this small duty amounted to a "heavy protection," inasmuch as tobacco imported from Greece or Turkey was paying a duty of 12½ piasters tariff per oke. This, as a convinced Free Trader, he was unable to tolerate. Besides, "a very important portion of customs revenue was slipping away from the Exchequer, for the increased production and consumption of native tobacco naturally checked the import of foreign tobacco."[1] And so the old *octroi* was abolished, and the tax on tobacco land was raised from £2 10s. to £30! The result was that in 1888 £333,000 were netted through import duties on tobacco, while the revenue from the tobacco-tax dropped to £10,000.[2] This was fiscal reform with a vengeance. Later on, in 1890, seeing that native tobacco was still being "heavily protected," inasmuch as it was still, in spite of the heavy tax, cultivated, Lord Cromer issued an ukase, limiting the entire area of tobacco cultivation to 1500 acres,[3] and a few months afterwards the cultivation of tobacco was entirely forbidden under the penalty of a very heavy fine and confiscation of the crop. At the same time the import duty was raised over 40 per cent, so that the tobacco customs of that year amounted to £1,200,000.[4] This was a brilliant financial result to achieve by such a simple reform; the Egyptians, however, have to this day to deplore the loss of one of their best industries.

It is not necessary to describe further the means which Lord Cromer used to restore the budgetary balance during the critical years of 1885–8. The above are sufficiently illuminating samples. They were such as would not have been permitted in any civilised country, and would have figured in the report of the old International Commission of Inquiry as a striking example of the anarchical management of the Egyptian finances by the extravagant Ismail

[1] Egypt, No. 4 (1888), p. 19–20; No. 3 (1888), pp. 79–83.
[2] *Ib.*, No. 4 (1889), p. 23. [3] Egypt, No. 1 (1890), p. 14.
[4] *Ib.*, No. 2 (1890), pp. 161 and 162.

Pasha. That the country was able to stand them was only due to the really unique recuperative capabilities of Egypt; but it is also a fact that the Egyptian peasantry is still among the poorest on the face of the earth.

The temporary difficulties once overcome, the rest was perfectly smooth sailing. In 1887 a determined attempt was made once more to obtain a reduction of the interest on the debt. Sir Henry Drummond-Wolff, whose mission we shall subsequently describe, wrote in that year a lengthy report on the financial system of Egypt, in which he deplored "the very great hardships which that system inflicted on the people of the country." "It would be a blot," he continued, "on any permanent arrangement if some attempts were not made to alleviate the heavy burden entailed on the fellaheen by the debt which crushed their industry and often deprived them of their property and means of livelihood." He estimated that not less than one-half of the revenue, "though drawn from the labour and property of the Egyptian people, was encashed by foreigners and spent abroad." "If the debt," he declared, "had been run up by wars, or extravagance sanctioned by the people, if might be right to continue to saddle them with this intolerable load. But they had no voice in the matter, and were passive instruments, almost beasts of burden, in the hands of the rulers, whose vices, ambition, and waste had accumulated this mass of debt."[1]

No doubt, Sir Henry Drummond-Wolff meant well, and his utterances were sincere. Yet how very remarkable was it that such views should have been expressed so many years after the condition of things to which they referred had been established, and cost Egypt untold sufferings and the loss of its freedom! The idea to which Sir Henry Drummond-Wolff lent himself was simply to get a new reduction of the interest on the debt in order to render the task of Lord Cromer still more easy. Under the former regimes such an idea would have been the

[1] Egypt, No. 7 (1887), pp. 66 and 67.

cause of an explosion of wrath on the part of all Europe, who would have seen in it an attempt to infringe the "international obligations." Now it was all humanity, justice, and so forth. But nothing came out of it. Europe remained deaf to all calls of humanity and justice, and the rate of interest remained for a time the same as it had been since 1880.

But Lord Cromer stood no longer in any great need of such reforms. The various measures enumerated above, together with the relief given by the Convention of 1885, were sufficient to place the budget on a sound basis now that every floating debt had been wiped out. Already, in July, 1888, a General Reserve Fund had been established where all the surpluses were to be placed and accumulated to the amount of £2,000,000, after which they were to be used for the redemption of the debt. The Government, however, had the right to borrow from the Fund, which it afterwards did on many occasions.[1] At the beginning of 1889 the fund already stood at over £600,000, and during the year another £237,000 were added. The budget of that year was, in the words of Lord Cromer's report, "undoubtedly the most satisfactory in the history of Egypt."[2] The import duty on tobacco yielded £442,000, the military *rachat* gave £91,000, the sale of lands produced £42,000, the *corvée rachat* £123,000, and the whole revenue amounted to £9,719,000, as against an expenditure of £9,523,000.[3] The following years were still more pros-

[1] Egypt, No. 3 (1893), p. 6. Up to 1893 over £750,000 were borrowed—a privilege which none of the former administrations enjoyed. This fund was in the hands of the Caisse. Another, a Special Reserve Fund, was entrusted to the Egyptian Government, mainly for public works. But in 1897 over £1,300,000 were surreptitiously taken from it for the Dongola expedition, and the British Government itself had to refund the money when the act was discovered. Prior to that Lord Cromer persuaded the Caisse to advance him out of the other fund £500,000 for the Soudan campaign. But the bondholders brought an action in the court, and the Egyptian Government was obliged to return the money (Egypt, No. 1 (1897); and No. 1 (1898), p. 4).

[2] *Ib.*, No. 1 (1890), p. 12. [3] *Ib.*, p. 7.

perous—so much so that, thanks to the surpluses, the administrative expenditure could exceed the amounts authorised by the London Convention by sums exceeding £100,000 per annum.[1] Here came in the advantage which Lord Cromer enjoyed under that Convention over the Controllers of 1880–2. With the growth of the revenue he could always rely upon having one-half of the surpluses for administrative purposes, to which were added the proceeds from the sale of lands and the interest on the investments. In 1890 Egyptian credit had so far been restored that the Powers permitted a conversion of the old Privileged and the Daira Sanieh debts, by which the amount of the Egyptian indebtedness was nominally increased, but the interest on these debts was reduced to 3½ per cent, and a sum of £1,300,000 was obtained for irrigation and other purposes.[2] In 1891 Lord Cromer could already write home that "the financial equilibrium is now secured. It may be said, with confidence, that it would require a series of untoward events . . . to endanger the solvency of the Egyptian Treasury."[3] The year following, in reporting a general surplus of £951,000, he reiterated the same assurances, saying: "I am not taking an over-sanguine view in stating that the present condition of Egyptian finances may, under prudent management, be considered as normal, and that it need not be attributed to exceptional causes which are beyond human control."[4] Thus was the famous "race against bankruptcy" won.[5]

In sport it is the accepted rule that all participants start from the same point, and try to achieve success under the same conditions and by the same means. Finance is hardly sport, but by using the simile of a "race" as

[1] Egypt, No. 3 (1893), p. 5. [2] *Ib.*, No. 2 (1891), pp. 6–7.
[3] *Ib.*, p. 2. [4] *Ib.*, No. 3 (1893), p. 5.
[5] "The struggle was long and arduous. . . . It may be said that the period of doubt lasted till 1888. By that time the race had been virtually won" (Lord Cromer, l.c., Vol. II, p. 444).

applied to Lord Cromer's achievement [1] his admirers have scarcely done him a good service. For whatever standards of comparison we may use in measuring his success against that of his predecessors we invariably come to the conclusion that the race has been won by him under exceptionally privileged conditions. He did not start from the point whence the others had started, but from one which was greatly in advance of theirs, and consequently nearer to the goal. Then, in addition to the privileges which had already been granted to his immediate predecessors and had virtually secured for them the prize, he obtained a number of fresh privileges which constituted in the aggregate a great advantage over every other rival. Lastly, he was permitted to make use of such means for the advancement of his progress that any single one of them would have sufficed to rule others off the track. We cannot in all conscience regard the holding of the cup by Lord Cromer as just. Even with half of the means which were at his disposal Ismail Pasha would have won the race easily, and without them Lord Cromer himself would have achieved nothing.

[1] The phrase is, of course, Lord Milner's.

CHAPTER XVIII

THE ABOLITION OF THE CORVÉE AND OF THE COURBASH

A FINANCIER of world-wide fame, Lord Cromer has also gained for himself the reputation of an enlightened and humane administrator who has shown to the world one of the most striking examples of the great moral benefits which a civilised rule can confer on an inferior and semi-barbarous race. Indeed, with most reformers both in this and other countries, it is not so much the success of his financial administration as the removal of some of the most hateful relics of barbarism, which had survived in Egypt throughout the long centuries of its historical existence, that constitutes the chief merit of his rule. For thousands of years the symbol of law and justice in Egypt had been the terrible "courbash," the stick or bastinado, by whose means taxes were exacted, evidence was extorted, offenders were punished, and the arbitrary will of the administrators, high and low, was imposed. That dreadful instrument of authority disappeared with the advent of Lord Cromer.

Still more beneficent was the disappearance of another barbarous institution, the system of *corvée* labour, which involved untold suffering and complete ruin to tens, sometimes to hundreds of thousands of fellaheen, who were yearly driven from their homes to the Nile, there to cleanse the canals and to watch the banks against possible inundations. Without food, without pay, without proper tools, and without shelter, the unfortunate peasants had to work day and night for weeks and months

at a stretch, under the eyes of overseers armed with the bastinado, and die in their hundreds from sheer exhaustion, from heat, and from hunger. Most of the public works in the past had been constructed by means of these *corvée* labourers, and under the guise of public necessity, all people in authority, from the Viceroys to the local Sheikhs, had their private estates and industrial establishments worked at times by this unfortunate class of peasants. No fellah could regard himself as free from the liability of being called out to do *corvée* labour, and it can easily be imagined to what abuses such a system was bound to lead. Lord Cromer abolished all that. For the first time in his long history the Egyptian fellah was rendered a free man, and for the first time all vestiges of slavery have been abolished.

These two reforms would, even by themselves, have been sufficient to earn for Lord Cromer the reputation of a great administrator. But he has succeeded in effecting yet a number of other reforms, such as the purification of the civil service, and the alleviation of the fiscal burdens of the masses of the people, which have enhanced the moral value of his rule still more. Egypt has become not merely a financially prosperous, but also a civilised country, where justice is even-handed, the administration is free from corruption, and the masses are allowed to enjoy the fruits of their labour in peace and in full.

This is what we have been told of Lord Cromer's twenty-six years' rule. But it behoves us, as impartial historians, to inquire what the real facts were, for from the knowledge which we have gained so far of the relations between fact and fiction in matters of Egyptian history, we may well conclude that in this case, too, not everything which passes as good coin is really without an admixture of some baser metal. Perhaps, it will turn out nothing but a counterfeit?

Taking first the case of *corvée* labour, it is interesting to note that the institution was not always regarded in

the same light as became the wont subsequently. Though travellers often spoke of it in terms of genuine horror, those who best knew the conditions of the country were inclined to condone it as a thing inevitable under the circumstances. "When it is considered," wrote the British Consul at Alexandria as far back as 1871, "that the maintenance of canals at their proper level is the great desideratum here, without which the country would become a desert, it does not seem to me that there is injustice in making all contribute their share to what is so essential for the welfare of the country."[1] Again, two years later, while deploring the abuses to which the *corvée* system often gave rise, the same Consul wrote: "The country depending so absolutely for its agricultural prosperity, even for the existence of the people, on the maintenance of the canals at a certain level, I see no reason to think it hard that the people should even be compelled, under proper and wise direction, to contribute their labour to this end."[2] This seemed a perfectly just view to take of the situation. As citizens we are all compelled to contribute our share to the maintenance of the conditions on which our existence as a community depends, and whether that share is contributed in money, or in labour, or in kind, is determined by the prevailing economic conditions. In a country, such as Egypt was till very recently, where "natural economy," that is, production for immediate consumption, was still prevailing, money being scarce, and hired labour being practically unknown, taxation in kind—at least to an extent—and contributions in labour were almost unavoidable, and though such a system of communal service-rendering is, no doubt, much inferior to the one which assumes the form of money-taxes, and is indicative of a backward economic development, nevertheless it is but ignorance to decry it as a mere variety of slavery. As a matter of fact, the *corvée* system in Egypt was no more

[1] C. 563 (1872), p. 379. [2] C. 1009 (1874), p. 728.

slavery than the military systems at present in vogue on the Continent of Europe, and Lord Dufferin was perfectly right in comparing it to a "*levée en masse* to repel an invader."[1] Of course, there were abuses of the system; indeed, they were unavoidable under an irresponsible Government based on absolutism from the high to the low. But when we remember the abuses which exist in the armies of many of the most civilised States of to-day, we shall not wax too indignant at the state of affairs which existed in a country "just emerging from barbarism." As a matter of fact, such indignation only made its appearance among the British public during the latter days of the reign of Ismail Pasha, when it became necessary to work up a suitable state of public opinion, in order to justify, first, financial, and afterwards, political interference with the affairs of Egypt. It was then that men like Mr. Villiers Stuart filled columns upon columns in the public Press with descriptions of the horrors of *corvée* labour,[2] utterly oblivious of the horrors nearer home, in the Lancashire mills, in the potteries, and in the sweating dens.

When the British obtained hold over Egypt, it was universally expected that the barbarous system would soon be put a stop to. The experience of the past was not quite inspiring. An attempt to grapple with the question had been made under the Dual Control, when the experiment was tried of allowing persons liable to *corvée* to purchase their exemption, and of laying out the money thus acquired in hiring qualified free labour, supplemented by machinery and tools.[3] The experiment, however, broke down, mainly, as it was alleged, owing to the antiquated basis of the levy and want of power and of organisation in the Ministry.[4] Accordingly, even

[1] Egypt, No. 6 (1883), pp. 67–8.
[2] See also Egypt, No. 7 (1883), p. 12, where the same gentleman describes these horrors. [3] Egypt, No. 3 (1887), p. 68.
[4] Rowsell, "Administrative Machinery in Egypt," in the "Nineteenth Century," November, 1881.

Lord Dufferin, when inquiring into the subject in 1883, seemed doubtful as to the results which might attend the efforts of the new rulers in abolishing the system. "Unfortunately," he confessed, "it is one of those evils which it is impossible altogether to abolish." All he hoped for was that "with the scientific organisation of the labouring power of the country . . . the amount of forced labour required might be reduced to one-half of what is now called out."[1] Nevertheless, before many years were out, the world was startled by the news that the *corvée* system *had* been abolished and was now no more. This was a veritable triumph for Lord Cromer's rule. How was it achieved?

We have already seen that in 1886, instead of remitting taxation to the amount of £450,000, as had been arranged by the London Convention, a portion of the sum, namely £250,000, was applied to the hire of free labour in substitution of *corvée*. Colonel Scott-Moncrieff had calculated that whereas the average number of corveable persons during the preceding four years had been 155,068 for a period of 151 days per annum, or 234,153 persons for a period of 100 days, the number of such persons in 1886, if £250,000 were applied to the hire of free labour, would be reduced to 102,507 for a period of 100 days, or by 56 per cent.[2] The number actually called out, however, in 1886 was considerably less, namely 95,093.[3] This was a great step forward. It stands, however, to reason that if the Dual Control or even Ismail Pasha, had had at their disposal a free sum of £250,000 per annum, they, too, might have succeeded as Lord Cromer did. But there was in the situation yet another factor, beside the possession of the necessary means, which reduced the magnitude of the famous reform to still more modest dimensions. This was that the *corvée* system was at that time already abolishing itself, and would have disappeared

[1] Egypt, No. 6 (1883), p. 68. [2] *Ib.* No. 3 (1887), p. 49.
[3] *Ib.*, No. 3 (1888), p. 38.

without any effort on the part of Lord Cromer and his assistants. Already in 1883 Roussot Bey, the then Minister of Public Works, reported that "the recruitment of *corvée* labourers was becoming more difficult every day with the growth of ideas which condemn the use of coercive means and had deprived the administrative authorities of means of action, unfortunately still indispensable." [1] At the beginning of 1886 Colonel Scott-Moncrieff, in a special Memorandum on the subject, also draws attention to the tendency of *corvée* labour to die out—not so much, indeed, on account of the progress of "moral ideas," as because of the growth of *latifundia*, whose owners objected to let their labourers off, of the decimation of the population through wars, of the depopulation of the country districts and the formation of large towns, and so forth. In 1848, he quoted, the corveable population had amounted to 634,000; in 1882 to but 376,029; and while the number of *corvée* labourers called out during 1879–81 averaged yearly 188,000, the number of those who actually turned out was only 112,000 per annum. After describing the difficulties which had been encountered in that respect in 1884, Colonel Scott-Moncrieff continued: "In the beginning of 1885 our *corvée* difficulty was still greater. . . . The inspector of Irrigation reported that the *corvée* would not turn out; the Mudirs said plainly that unless the courbash was brought back they had no means of compelling attendance. . . . I would put on record, in the strongest manner possible, that it is no longer a question whether or not the work of the country should be done by *corvée*. In some extent it may be done . . . but it is impossible to do all the necessary work with the *corvée*, and the district officials say it is impossible to increase the *corvée* without the courbash." [2]

[1] Egypt, No. 4 (1886), p. 135.
[2] Egypt, *ib.*, pp. 135 and following. Mr. Rowsell in the above-mentioned article also calls the *corvée* "as it exists," "one of the feeblest and most inefficient possible of the public resources."

The allusions to the courbash must be taken with a good pinch of salt. As we shall soon see, the courbash had been at that time only abolished on paper, and the suggestion that the gradual disappearance of *corvée* labour was due to the abolition of that instrument of compulsion was very misleading. As a matter of fact, Colonel Scott-Moncrieff himself mentions that the phenomenon had already been observable in the years 1879–81, that is, before the Occupation, and his allusion to the growth of large estates and the depopulation of the country was certainly more to the point. Nevertheless, the assertion that without the use of forcible means there was no way of getting *corvée* labour was perfectly true, and is evidence of the fact that the system was regarded at the time as doomed to disappearance by factors which stood outside ordinary human competence.

A few months later Nubar Pasha gave expression to the same view. In defending before the Caisse the illegal application of £250,000 to the hire of free labour for public works, he said: "The Government were convinced that they were doing a legal act, an act of justice and of good administration. Moreover (!), if they had not thus decided, they would have run the risk of leaving the country without water while the Nile was at its lowest level and exposed to inundation during the period of high level." After giving the reasons which, in his opinion, had led to the disappearance of *corvée*—reasons to which we shall allude below—he continued: "The levy of *corvée* under the new conditions became almost impossible. The Council of Public Works, fully aware of the situation, had diminished the works for the season of 1885, in consequence of the difficulty of obtaining the required labour by *corvée*, and, in spite of this, out of a number of 116,607 required, it was only after immense difficulty that 83,346 could be brought out. It should further be noted that the Government, inspired by the same convictions . . . had taken certain measures for the execution by contract

in 1885 of the works of the two most important provinces of Lower Egypt." [1]

These words tell their own tale. But for the accident that Lord Cromer and his subordinates had to defend themselves before the Caisse in the matter of the misapplication of £250,000, we would never have known the true motives which dictated that "great" reform, the abolition of the system of *corvée*. As it is, we now know that there has been no such reform at all, that *corvée* had by that time practically been abolished spontaneously, and that the £250,000 were used not in substitution of *corvée*, but in filling out the empty space left by its disappearance. Never, indeed, has such a great virtue been made of such a dire necessity. A few years more, and the trick would have been impossible. Lord Cromer, however, had the good fortune of not coming too late, and he reaped a great reputation where there was none to reap. Incidentally we catch a glimpse of the true reasons of the great agitation during 1884–5 in favour of the reduction of the land-tax. Lord Cromer had seen that means must be found to obtain hired labour for the execution of the necessary public tasks, on which everything else depended, and as fresh taxation seemed impossible, a diversion of a portion of the land-tax, already levied for that purpose, became an absolute necessity. And so a great show was made of humanity, in order to gain that important end in view.

This, then, is the true measure of Lord Cromer's famous reform. Another, and a minor one, may be found in the fact, which may astonish some readers, that in spite of all the boasting, the *corvée* system still subsists to this day. Year in, year out, *corvée* labourers—no fewer than 241,528 in 1904, and 11,244 for a period of 100 days in 1903, and similarly 15,439 in 1900—are called out in considerable numbers from the villages, now to guard the banks of the Nile, and now to combat the cotton-worm, and

[1] Egypt, No. 3 (1887), p. 63.

so forth.[1] Like the famous young lady who excused her illegitimate infant on the plea that it was so small a one, Lord Cromer repeatedly dismissed this remnant of *corvée* as of no moment. In his annual report for 1892 he, after pointing out in the text the importance of his reform, makes in a footnote, *en passant*, as it were, the following remark: "In order to avoid any misapprehension, I wish to explain that when I speak of the abolition of *corvée*, I mean the substitution of free for forced labour in the annual work of cleansing out the canals. It was this which in former years weighed most hardly on the people. Forced labour still exists in order to prevent inundation when the Nile is exceptionally high." [2] The disingenuousness of this method of bringing under notice the fact that in spite of the big *réclame* the system of forced labour still susbsisted is evident. Five years previously Lord Salisbury had transmitted to him a petition from the British and Foreign Anti-Slavery Society, asking for "the complete abolition of the pernicious system of *corvée*." "The British occupation of Egypt," declared the petitioners, "will have done little towards establishing the liberties of its people unless it shall have entirely redeemed them from this grievous oppression." [3] To this Lord Cromer did not reply that the entire abolition of *corvée* was impossible or undesirable. He simply expressed his regret that "in the present financial condition of Egypt sufficient funds were not available for the entire suppression of forced labour and the substitution of paid labour in its stead." [4] He promised, however, that with

[1] In 1887 a decree was even issued empowering the provincial Governors to requisition the services of every able-bodied inhabitant of their districts in view of the danger of inundation (Egypt, No. 2 (1888), p. 78). In his report for 1908 Sir Eldon Gorst, the successor of Lord Cromer, announced, in view of the ravages of the cotton-worm, that "in future the former practice of creating a special service for the work (of destroying it) will be revived" (Egypt, No. 1 (1909), p. 21); and in 1909 110,000 children were actually "requisitioned" to pick the leaves contaminated by the worm (Egypt, No. 1 (1910), p. 18).

[2] *Ib.*, No. 2 (1888), pp. 43–4.

[3] Egypt, No. 3 (1893), p. 4.

[4] *Ib.*, p. 58.

a more prosperous condition of finances, the Egyptian fellah would at no distant date be "entirely relieved from the burden which now oppressed him." That condition soon arrived. In 1890, as we have already mentioned, a portion of the Public Debt was converted, and a sum of £1,300,000 was obtained for administrative purposes. Out of this France agreed that £150,000 should, in addition to the £250,000 already appropriated, be devoted to the increase of the annual *corvée* fund, and be laid out in the hire of free labour.[1] This afterwards gave Lord Cromer the opportunity of boasting that the "abolition" of *corvée* had cost him £400,000 a year. But though the money was already available, and the Egyptian Exchequer, with the financial progress of the subsequent years, grew ever richer, the pledge given to the Anti-Slavery Society was never redeemed. On the contrary, after the repeated declarations that the hideous system must and shall be abolished, Lord Cromer in 1896 wrote as follows: "I doubt whether it will ever be possible to abolish completely the *corvée* in its present very modified form. The consequence of a serious breach in the banks during high Nile would be so disastrous that no competent authority, well acquainted with the facts, would, I think, take the responsibility of approving any such measure." Besides, he added, the "work generally performed by the watchmen is of the lightest possible description."[2] We do not profess to know whether the latter remark is true or not; but even if it

[1] France was forced to give her consent to this appropriation of £150,000 by the threat that otherwise an additional land-tax would be levied for purposes of hiring free labour, as *corvée* labourers were no longer available (Egypt, No. 1 (1890), p. 13; and No. 2 (1890), p. 80).

[2] Lord Cromer also discovered at the time that the total abolition "would not be at all popular in the country" (Egypt, No. 2 (1897), p. 14)—an opinion which had been expressed, by way of apology for Lord Dufferin's somewhat lenient view of the matter, by Mr. Villiers Stuart in 1883: "It must be accepted as a fact that forced labour exists with the consent of the great mass of the people of Egypt" (Egypt, No. 7 (1883), p. 12).

is true, forced labour still remains what it is—a "form of slavery." Neither the Anti-Slavery Society nor Lord Cromer himself ever confined themselves to combating merely the abuses of *corvée*. The institution had been condemned root and branch as incompatible with the liberties of the Egyptian nation. Now it was found that it was impossible to abolish it entirely[1]—and for the same reasons, which, if true, would apply to any work in connexion with the Nile. Yet every one seems to be satisfied with it, and every one has praised Lord Cromer for the "abolition" of *corvée!*

We have dwelt on the history of this "reform" in such detail because it affords a characteristic illustration of how legends about Lord Cromer's achievements have arisen and gained currency mainly through the instrumentality of Lord Cromer himself, aided and assisted by a servile Press and ignorant public. We shall deal at no such length with the history of the other "reform," that of the abolition of the courbash, because in that case Lord Cromer himself has already given the lie to the legends which he and his co-workers had been assiduously spreading for a very long time. A decree, or rather circular, prohibiting the use of the courbash was one of the first acts of the Occupation. It was issued in 1883, on the initiative of Lord Dufferin, and the latter, in reporting on it, proudly declared: "I cannot but regard such an act as significant of the introduction of a more humane and civilised spirit into the civil administration of the country."[2] Every one was delighted and proud. In October, 1884, Lord Cromer specially ordered

[1] An attempt to abolish it even for the guarding of the Nile banks was made in 1893, but though the watchmen were only paid fivepence a day, all included, the experiment proved too expensive, and Lord Cromer's humanity shrank from its repetition (Egypt, No. 1 (1894), p. 9). Some years previously, however, Lord Cromer himself wrote to Lord Salisbury that "the suppression of the *corvée* is even more a financial and economic than a humanitarian question" (Egypt, No. 11 (1887), pp. 42–3).

[2] Egypt, No. 6 (1883), p. 36.

his consular agents to report on the effect which the reform had had, and in transmitting these documents he wrote: "An immense change has already been effected, the nature of which can perhaps only be fully appreciated by those who, like myself, are able to compare the Egypt of the present day with the Egypt of but a few years ago. . . . The old arbitrary system of governing Egypt is not moribund. It is actually defunct; and I venture to doubt the possibility of its revival. Its death, moreover, has been compassed with a rapidity, which, I can honestly say, I never anticipated. A new system of Government is growing up with quite as great a degree of success and with quite as much rapidity as any but the most Utopian reformer could expect." [1]

This lyrical outburst, it must be remembered, was made only one year after the issue of Lord Dufferin's order, forbidding the courbash, and it can easily be imagined what a responsive echo it found in the hearts of all official and unofficial patriots at home who had been advocating or justifying the war two years previously. Yet it was all pure and deliberate humbug. For one thing, Lord Dufferin's order was so little "significant" of the opening of a new era, that it had been anticipated in 1879 by Riaz Pasha. "The bastinado," wrote Mr. Rowsell, of the Domains Administration, at the time, "has been put under a ban which no European probably wishes to raise. To Riaz Pasha is due the honour of sweeping away, with many other oppressions, the wholesale and savage use of the courbash and bastinado." [2] In this realm, too, then, there had been kings before Agamemnon—in fact, the preamble of the Decree of 1883 itself begins with a

[1] Egypt, No. 1 (1885), p. 40.
[2] Rowsell, l.c. It will be remembered (*vide supra*, p. 167) how this same gentleman was angry with Arabi and other "idealists" for not applying the courbash to the upholding of the authority of the Governors and the landlords. Mr. MacCoan ("Egypt As It Is," p. 117) also points out that already under Ismail Pasha an attempt had been made to suppress the courbash.

mention of "les circulaires réiterées et precises," which had been issued on that head before.[1] If, therefore, Lord Dufferin's order really ushered in the great reform which was eulogised by Lord Cromer in such glowing words, the honour must, at least, be shared by him with Riaz Pasha, and some of the laurels adorning the Occupation must be transferred to the Dual Control. But did Lord Dufferin's order effect such "an immense change," as Lord Cromer asserted in 1884? A more astounding piece of deliberate falsehood has never been uttered in any public document by any responsible person in authority. As late as 1891 Lord Cromer, in his annual report, had to confess that the courbash had been abolished only in the domain of tax collection, but as to its uses as a means of extorting evidence in trials, "I can speak with a less degree of confidence." "I am not prepared to state confidently," he continues, "that the use of the courbash and other forms of torture have altogether disappeared." [2] This—seven years after proclaiming to the world that "an immense change had already been effected," that "the old arbitrary system of governing Egypt was actually defunct," etc.! But Lord Cromer need not have assumed an air of modesty in speaking of the discontinuance of the courbash with "a less degree of confidence," for he knew very well that its use and "other forms of torture" was at that time in full swing. In his book he admits it in so many words. "The implement," he says, "was plentifully used for some years after the issue of his (Lord Dufferin's) epoch-making (!) Circular. In the early days of the British occupation crime increased to such an extent that Nubar Pasha thought it necessary to create . . . Commissions of Brigandage. . . . These Commissions virtually took the place of the ordinary Tribunals. Recourse was had to the old system of torture." And he quotes a passage on that

[1] Egypt, No. 6 (1883), p. 36.
[2] *Ib.*, No. 3 (1891), p. 4.

head from the report of the Procureur-General relating to the year 1889.[1]

The abolition of the courbash is thus to a very great extent another legend set on foot by Lord Cromer. On paper the reform had been effected more than once previously, and on paper it remained long after it had been decreed by the British authorities.[2] That the courbash eventually did disappear—though the trial of Denshawai shows that it is exceptionally being used even now—was due mainly to the disappearance of the social conditions of which it had been both the product and, so to speak, the symbol. Like all primitive communities in the East, Egyptian society had been organised on the basis of patriarchalism, which shaped all authority after the manner of that of the father of the household, with his almost unlimited *potestas* and his exclusive duties and rights of representation. In the villages it was the Sheikhs who exercised this authority, and the whole social organisation of the village community hinged round them. "The Sheikh," wrote Mr. Edward Dicey more than thirty years ago, "is not a Government official, but a local headman, amenable to the public opinion of the community, and regarding himself as the champion of its interests and rights. In as far as the outer world is concerned, the Sheikh is the community. . . . The whole

[1] "Modern Egypt," Vol. II, pp. 404–5. The slight irony with which Lord Cromer speaks of the *naïvété* of the "courageous Irishman" in issuing his Circular is instructive in the light of his own "bluffing" methods and the way he greeted that act in 1883.

[2] The courbash, wrote Mr. Rowsell, l.c., "is strictly forbidden, and there is reason to believe that the cruel use of it has ceased. But that it is disused entirely is as doubtful as the supposition that a naval officer never employs an oath because forbidden to do so by the Queen's Regulations." Compare this with the ingenuous way in which Lord Cromer admits the failure of Lord Dufferin's Circular. "The main reason why no dissolution of provincial society took place in consequence of the Circular was that it was partially inoperative" ("Modern Egypt," Vol. II, p. 404). But then, why declare that "Lord Dufferin dealt a staggering blow to the use of the courbash"? A blow as staggering had been dealt both by Ismail Pasha and Riaz.

internal administration of Egypt is based on the principle that the State does not deal directly with the individual, but exercises its authority over the individual by the agency of the Sheikh. And as between the Sheikh and individual the arbitrary power of the former is circumscribed by the authority of the *cadi*, who administers the law of the Koran."[1] The picture is familiar to all students of primitive communities, whether in Central Africa or among the ruins of the "Mir" in Russia. The *patria potestas* of the village elders finds in it its natural place, and together with it the courbash in its manifold varieties. The latter was no mere instrument of physical force, like the baton of a modern policeman. Its power rested on the moral authority of the Sheikhs, who themselves were but the living embodiment of the will of the community.

It was natural that with the disintegration of the village communal life, consequent upon economic changes and the advent of European individualist law, the power of the Sheikh should also decay, and, together with it, the moral sanction of the courbash. In defending the misappropriation of the £250,000 before the Caisse, Nubar Pasha is led to consider the reasons which had brought about the practical extinction of *corvée*, and says: "For reasons which every one is aware of, the ties which attach the fellah to his Sheikhs and the latter to the agents of the Government have for some years past been gradually loosened. . . . The organisation of justice has deprived the Sheikhs, the pivot of the old administration, of the discretionary power, of which they made free use with regard to peasants, and which rendered these levies *en masse* possible."[2] This was perfectly true. The Sheikh and his stick, being deprived of their moral sanction, were no longer able to command obedience, and lost their

[1] E. Dicey, "The Future of Egypt," "Nineteenth Century," August, 1877.

[2] Egypt, No. 3 (1887), p. 63.

power over the fellah. Henceforth the courbash could survive only as a mere instrument of coercion, and it naturally broke down. Its use in the domain of tax-collection had been doomed to disappearance as far back as 1875, when Ismail Pasha established the new Tribunals, which brought every individual peasant face to face with the law, to the elimination of the Sheikhs. In the domain of justice it continued much longer than the situation warranted, but that was due to the English themselves, who, without discerning the social roots of the courbash, continued to apply it as a means of punishment and of extorting evidence in the naive idea that a primitive people only understands such arguments. As soon as the Government itself ceased keeping it up artificially, its use spontaneously disappeared.

It will thus be seen that there was as little merit in the "abolition" of the courbash as there was in that of *corvée*. As a paper reform it had been effected before Lord Dufferin's circular, and as an actual reform it was never realised until many years after. When, however, it did become an accomplished fact, it became so not in virtue of the paper decree, but by force of the social evolution which rendered all further application of such primitive means of compulsion partly impossible and partly superfluous. The courbash had already broken down to some extent under the former régimes, and what remained of it was kept up deliberately by the English themselves.

CHAPTER XIX

THE ECONOMIC POLICY OF LORD CROMER

IN close connexion with the two "reforms" discussed in the preceding chapter stands the general question of the economic progress of the country, and, in particular, that of the amelioration of the condition of the Egyptian peasantry. The latter, till the advent of the British, had been proverbial for his poverty, and the celebrated letters of Lady Duff Gordon, which described the misery of the fellaheen at the end of the 'sixties, supplied many a text for homilies to those who, in disregard to the miseries nearer home—in Ireland or in England itself—were anxious to discredit the rule of Ismail Pasha at the critical period of the latter half of the 'seventies.[1] There were, it is true, even then not a few who ridiculed as tourists' stories the lurid accounts of the fellah's misery, and asserted that "the general condition of the fellaheen will compare favourably with that of almost any other peasantry in the East."[2] These apologists went even so far as to point, in anticipation of Lord Cromer's methods of argument, to the ever-growing foreign trade of Egypt, and argue that these facts "demonstrate a measure of

[1] "The state of the peasantry," declared at the time Mr. Cave in the House of Commons, "is highly unsatisfactory, though I doubt their being as wretched as many writers imagine. . . . Those, however, among us who have studied the reports of the various commissions on the state of women and children employed in mines, factories, and agricultural labour in this country, will acknowledge that we are not justified in being too severe upon a nation just emerging from barbarism" (Hansard, "Parl. Debates," Vol. 231, 1876, p. 625.

[2] MacCoan, "Egypt As It Is," p. 25.

material improvement among the producing classes which may be vainly sought for elsewhere outside of Europe." [1] In spite of these testimonies, however, there can be no doubt that both under Ismail and the Dual Control the condition of the fellaheen was exceedingly wretched, and that it afterwards underwent some improvement, if only because of the reduction of the rate of interest on the public debt and the disappearance of the *corvée*.

It is, however, exceedingly difficult to discover to what extent this improvement has actually proceeded during the twenty-eight years of English rule. The accounts which the official apologists of the Occupation—above all Lord Cromer—have given us of the great progress which has taken place in that respect are so manifestly exaggerated that not much credence can be attached to them, while in the absence of any systematic inquiry into the subject, it is impossible to say anything very definite to the contrary. What stands out in the mind of any student who has taken the trouble critically to examine the evidence on which the apologists of the Occupation base their assertion as to the progress of the masses of the Egyptian people is that it is either misleading or insufficient, and that even granting that some progress has taken place, it might have been much greater but for the policy which has been one-sidedly pursued of making every other consideration subservient to the interests of finance, in other words, of the Stock Exchange.

It is remarkable that already in 1888, that is, shortly after the great crisis of 1885–6, which had been depicted in such sombre colours by all the British functionaries, reports began to pour in from the same gentlemen, giving most optimistic accounts of the condition of the Egyptian peasantry. Sir Edgar Vincent, for instance, reported that "there appeared little reason to doubt that the partial abolition of the *corvée* had ameliorated the condition

[1] MacCoan, *ib.*, p. 26.

of cultivators of the poorer classes," and instanced as proof "the gradual disappearance of the village money-lender." [1] "There is no more convincing sign," he continued, "of the improvement in the condition of Egypt during the last few years than the fact that the debts of the fellaheen to the local usurers have, in a great measure, been paid off. . . . The information which I have been able to collect leads me to estimate the total amount due on account of old debts by the peasantry to money-lenders at less than £3,000,000, and but little fresh indebtedness has been incurred. The cases in which usurers have sold up the fellaheen for non-payment are quite exceptional, and affect only an insignificant fraction of the total cultivated area." Mr. Clark, Secretary to the Agency, also wrote in that strain. "The lot of the fellah has been greatly ameliorated in the last few years. He is . . . better fed and better clothed. He no longer has to dread the courbash, nor has he much reason to fear the *corvée* or the military conscription. . . . He has been enabled, to great extent, to free himself from the usurer. He is, in fact, gradually emerging from the oppression and misery in which he had been plunged from time immemorial." [2]

Considering how often the same talk, garnished with the same illustrations, had been heard before, these rosy pictures are not calculated to inspire much confidence.[3] It appears on the face of it incredible that within the space of two or three years a people of many millions

[1] Egypt, No. 11 (1887), p. 10. [2] *Ib.*, No. 6 (1888), p. 13.

[3] In the very same year Mr. Portal wrote: "There is an actual diminution of peasant proprietors. Land has been absorbed more and more into large estates. The former owner of one or two acres now works for daily wages on the estate of the landlord" (Egypt, No. 2 (1888), p. 83). The unceremonious lies which the British officials in Egypt have bandied about are truly astonishing. "Want of accuracy," says Lord Cromer ("Modern Egypt," Vol. II, pp. 146–7), "which easily degenerates into untruthfulness, is the main characteristic of the Oriental mind. . . . Endeavour to elicit a plain statement of facts from an ordinary Egyptian. . . . He will probably contradict himself half a dozen times before he has finished his story."

should have emerged from the utmost depths of misery to such prosperity. But we know already the little tricks which British diplomacy in Egypt has ever been fond of perpetrating upon the credulous public, and as a matter of fact, seven years later, when it became necessary to defend the continuance of the British Occupation in the face of such remarkable progress, the tone of optimism dropped to a considerable extent. Our old friend and "independent witness," for instance, Mr. Villiers Stuart, while admitting that the evil of usury had abated, nevertheless asserted that "money was still being borrowed," that the domestic debt of Egypt still amounted to £7,000,000, and that the fellaheen "would still regard 12 per cent as a fabulously low rate of interest." He even went so far as to assert that "a couple of generations would be needed to enable the reforms already effected to take root." [1]

The above is but an illustration of the amount of credence that can be attached to the assertions of the British functionaries as to the progress made by the Egyptian people under their rule. If from generalities we should descend to more concrete statements, the case will scarcely be altered. To take an instance, Lord Cromer has repeatedly asserted, and also repeated in his book,[2] that between 1883 and 1905 close upon £2,000,000 per annum were granted by way of fiscal relief, of which £1,100,000 were by way of reduction of direct taxation. The figures, no doubt, sound important, but when we come to examine them closely, we find that they include many items which are largely fictitious. There is, first, the sum of £400,000 credited under the head of the "abolition" of the *corvée*. It consists of two parts—of the original £250,000 and the subsequent £150,000 added out of the proceeds of the loan of 1890. The reason why these two sums figure under the head "remission of taxation" is that but for the

[1] Egypt, No. 2 (1895), p. 4.
[2] Lord Cromer, l.c., Vol. II, p. 447.

consent of the Great Powers in applying them for purposes of that "reform," that is, for the hire of free labour, equivalent sums would have had to be raised by taxation, and as this had not been done (the fact, that it could not have been done under the terms of the London Convention, is discreetly left unmentioned), the £400,000 are clearly taxation remitted! The reasoning is very ingenious, and might with the same success and appositeness have been adopted with reference to many other reforms which had cost money, as for instance, the works in connexion with irrigation which had cost many millions. As a great part of that money had been borrowed, and not raised from taxation, Lord Cromer, if he only had thought of it, might have put it down as "relief of taxation."

In addition to this cost of free labour, nicknamed "fiscal relief," we find the sum of rather less than £600,000 remitted on account of the land-tax. This includes the £200,000, which, having been granted, as we have seen, by the London Convention in relief of the peasantry, was placed in the books against "irrecoverable arrears." So far, therefore, from representing taxation which has been remitted, it represents taxation which was never collected. The sum of £600,000 also includes £130,000 which were granted in relief of the land-tax in 1891. In that year it was discovered that £200,000 would not cover the amount of "irrecoverable arrears" which yearly figured in the budget, and which in the course of ten years had accumulated to the extent of £1,400,000. It was, therefore, decided to wipe out about one million altogether, and remit taxation to the extent of £130,000 per annum, thus leaving about £200,000 which were to be still collected. These £130,000, which had never been collected, and which only figured in the books, were now added to the £200,000 "remitted" in 1885, and the whole was called "fiscal relief." [1]

[1] Egypt, No. 2 (1891), p. 4; No. 3 (1892), p. 7.

These sums are all on the side of direct taxation. On the side of indirect taxation the chief relief was the abolition of the "professional" tax at a cost, it has been alleged, of £180,000 per annum. We find, however, that the greater portion of the tax, namely £120,000, was remitted in 1889, as leading to nothing but arrears, and "in view of the difficulty in the way of recovering them." [1] The remainder was remitted a year later, as "it often led to considerable abuses." [2] As a matter of fact, this so-called professional tax was in substance but a tax on street vendors of lemons and such like petty articles—the poorest of the poor who could neither pay nor be made to pay this ridiculous impost. About the same time were abolished a number of other petty taxes, such as the weighing tax and the *octroi* tax on rice, which swallowed most of the proceeds in the way of collection.[3] The *octroi*, however, was left in the two chief cities, Cairo and Alexandria, where they yielded a considerable revenue.

It will be seen to what an extent the greater part of the so-called fiscal relief has been illusory. The remission of taxation turns out in the majority of cases to have been in reality but the remission of arrears, which with the best will in the world it was impossible to collect. What remained was abolished mainly on account of their pettiness, which rendered their collection a vexatious and expensive business. Here, again, we have a virtue made of dire necessity.

The unreliability of Lord Cromer's figures can further be illustrated by reference to the table of indebtedness existing in Egypt, which he transmitted in 1895 home, in order to show the satisfactory state of affairs among the people over which he ruled. According to that table,[4] of the total of 4,471,000 acres of land, owned by 661,000 proprietors, only 395,000 acres were mortgaged for sums amounting in the aggregate to £7,323,000. Of this sum,

[1] Egypt, No. 2 (1890), p. 9. [2] *Ib.*, No. 1 (1890), p. 13.
[3] *Ib.*, No. 2 (1891), p. 3. [4] *Ib.*, No. 1 (1895), p. 30.

moreover, over 71 per cent was due by proprietors of more than 50 acres, as against 7·8 per cent owed by proprietors of 5 acres and under, and of the land mortgaged 14·6 per cent belonged to the former class, as against 2·2 per cent belonging to proprietors of the latter class. What could have been more satisfactory? Yet in the report for the following year, after the above figures had had time to exercise their effect, Lord Cromer had himself to confess that "in addition to this registered debt, there was, without doubt, a certain amount of unregistered debt, notably due by the small proprietors." [1]

Lord Cromer makes no attempt to arrive at an approximate estimate of this "certain" amount of unregistered debt, and the reader is left with the impression that it must be insignificant. Yet we have it on the authority of Mr. Villiers Stuart, who could be truthful when it suited his political purposes, that "land is continually changing hands through death or sales. These transfers," he continues, "ought to be registered, but the natives are very unwilling to do this; consequently the land continues to pay tax in the name of people long dead, or in the name of previous owners who have long ago parted with their property." [2] The beautiful table, therefore, showing how very little indebted the Egyptian peasantry were, was essentially misleading. Not otherwise, and for similar reasons, was the table showing the comparative distribution of landed property in the years 1896 and 1906, which Lord Cromer published in his last report before leaving Egypt. It follows from this table [3] that while the total acreage of cultivated land owned by natives increased during the decennium from 4,427,000 to 4,666,000, the total number of proprietors increased from 760,000 to 1,147,000, and while both the number of proprietors owning from 5 to 50 acres and the area of their estates decreased, the number of owners below 5 acres

[1] Egypt, No. 1 (1896), p. 7. [2] *Ib.*, No. 2 (1895), p. 5.
[3] *Ib.*, No. 1 (1907), p. 50.

increased from 608,000 owning 988,000 acres to 1,002,000 owning 1,259,000 acres, as against the increase of the number of proprietors owning over 50 acres from 10,000, with estates aggregating 1,666,000 acres, to but 300 more, owning 1,763,000 acres. Again, what could be more satisfactory? It is true that the middle-sized estates have revealed a tendency to disappear, but not merely for the sole benefit of the large proprietors, since it is the small peasant class owning land below 5 acres which has increased substantially both in number and in the area held in possession. But Lord Cromer has himself to draw the attention of the public to the fact that since 1896 a new Survey had taken place, which included a "certain" number of small proprietors who had formerly figured as mere partners, and that owing to a reduction of the registration fees many small proprietors had for the first time registered their deeds of purchase. And lest the reader might think that this was a small matter, we have now the categoric statement of Sir Eldon Gorst to the effect [1] that "the recent apparent increase in the number of small holdings is due to the effect of

[1] Egypt, No. 1 (1910), p. 12. Sir Eldon Gorst was led to make this damaging admission while commenting on the operations of the Agricultural Bank of Egypt in 1909. This Bank, founded in 1902 by Sir Ernest Cassel under the Government guarantee for the total capital lent out by it, with 3 per cent interest thereon, was one of Lord Cromer's pet schemes, by which he set out to create a new small peasant class in Egypt. As recently as December 17, 1909, he spoke at Sheffield with great gusto upon it. After describing the enormous increase in the operations of the Bank he asked: "And what has been the result? The result has been that in ten years the number of small proprietors . . . increased by no less than 400,000, and now, out of a population of little more than 11,000,000, men, women, and children, there are no less than 1,200,000 small proprietors of this description. The policy was therefore a brilliant success." Sir Eldon Gorst's remark, quoted in the text, shows how exactly "brilliant" that success was, and to this remark may be added the words which immediately precede it: "The Bank does not lend to any one not already possessed of land, so that it cannot create new individual holdings." Why cannot the British Agent be told to consult, before penning his reports, what his predecessor said on the various subjects?

the survey operations in dividing up properties between their real owners, and also perhaps in some measure to the fact that holders *par indivis*, when in pecuniary straits, divide up their property with a view to raising money on it." Lord Cromer's table is, therefore, entirely misleading. There has been no increase in the number of small peasant proprietors—probably the direct reverse of that.

It is generally an ungrateful task to have to controvert an opponent's statements without being able to offer anything positive in their place. In our case, however, even such a purely negative proceeding is useful, as showing the slenderness of the evidence on which the proof of the material progress of the masses, as distinguished from the financial progress of the State, is based. In the case of financial progress we have numerous irrefragable proofs to go upon; in that of the improvement of the condition of the people we have a series of statements, every one of which breaks down on the mere touch. Are we, then, not justified in surmising that the progress of the masses must have been very small?

It would clearly be an unwarranted proceeding to argue that there has been no progress in the material condition of the masses at all. The best proof that some progress has been made consists in the fact that the State revenue keeps on expanding, that the taxes are being paid without any such measures of coercion as were in vogue a quarter of a century ago, that on a land-tax yielding (1905) £4,902,000 only £18,000 had to be booked as arrears,[1] and that altogether, as Lord Cromer once pointed out, whereas in 1883 a revenue of £8,935,000 was raised with great difficulty, a much larger revenue, exceeding twelve and thirteen millions, is now raised with ease.[2] This means that the condition of the masses has improved, at least, to the extent of their now being able to bear the burden of taxation, which, as we know, was

[1] Egypt, No. 1 (1907), p. 61. [2] *Ib.*, (1896), p. 3.

not the case formerly. Apart, however, from the question whether this is not due to the simple diminution of the burden itself, in consequence of the repeated reductions of the rate of interest on the Public Debt, it is a moot point whether the improvement has proceeded beyond the fiscal limit and has resulted in leaving to the fellaheen any larger margin of earnings than is required for the prompt discharge of his obligations towards the State.

In an interview with a Cairo paper [1] Prince Hussein Pasha Kamel, uncle of the Khedive, and till recently President of the Legislative Council, not so very long ago described the life of the fellah as one of black misery and crass ignorance. "He passes," he said, "his life burdened with debts, his wages do not exceed the amount of taxes and the interest on his debts. He is continually obliged to run into debt at exorbitant interest, in order to meet his agricultural needs at the proper moment; and as a consequence of this difficult situation, of his lack of money, and of the large number who depend on him, the peasant remains in a sea of trouble from which he can find no means of saving himself." Thus speaks a man who is well known for his intimate knowledge of the Egyptian peasant, and his testimony is borne out by most travellers who have had occasion to visit the villages. The British themselves are not blind to this fact, and try to account for it in different ways. Formerly, as we had occasion to see,[2] it was the extravagance of the fellah (particularly in matrimonial matters) and his love of borrowing that had to bear the responsibility for his apparent poverty. Subsequently it was discovered that the explanation would not hold water. The fellah was too manifestly a man of simple habits to be charged with lack of thrift. Accordingly, the explanation was turned inside out, and the reason given for his outward poverty was that he was too thrifty and possessed of

[1] Reproduced by the "Egyptian Standard," October 20, 1908.
[2] *Vide supra*, p. 246.

hidden treasures. Already in 1899 Lord Cromer wrote that "it is erroneous to suppose that the Egyptian fellah will almost invariably incur debt up to the maximum amount of his credit." "Much, indeed," he continued, "has been written and said about the inveterate improvidence of the fellaheen population. . . . I know of no reason for holding that, as a class, they are irretrievably thriftless." [1] What is here expressed cautiously became afterwards a categorical assertion, and Lord Cromer did not hesitate to speak of considerable savings which the fellaheen keep hidden in stockings and buried pots.[2] Pity only that this explanation is not new, dating, as it does, back to the time when the apologists of Ismail Pasha were also trying their best to account for the apparent poverty of the masses, and to dispute the allegation that they were being crushed by taxation.[3] Even as late as 1888 the British themselves spoke of the hoardings which the peasants contrived to accumulate even under Ismail, and hide them away buried in the ground.[4] The assertion is now, as it was then, perfectly absurd, and only serves to bring into relief the great embarrassment experienced in explaining away a fact which is too patent to be denied

[1] Egypt, No. 1 (1900), p. 6.
[2] Speaking at the Guildhall on October 28, 1907, Lord Cromer said: "Hoarding is carried on to an extent which appears almost incredible to Europeans. I will give a few instances. A little while ago I heard of an Egyptian gentleman who died leaving a fortune of £80,000, the whole of which was in gold coin in his cellars. Then, again, I heard of a substantial yeoman who bought a property for £25,000. Half an hour after the contract was signed he appeared with a train of donkeys, bearing on their backs the money, which had been buried in his garden. I hear that on the occasion of a fire in a provincial town no less than £5000 was found hidden in earthen pots" ("The Times," October 29, 1907).
[3] "The Egyptian peasant," wrote Mr. MacCoan, "has been noted in all time, from Cheops to Ismail, for his unwillingness to pay taxes at all. It is, in fact, a point of honour with him to bear any amount of stick, if by so doing the impost, or any part of it, can be evaded." And he goes on to describe how he fetches the gold coin when driven to this extremity by the stick ("Egypt As It Is," p. 28).
[4] Egypt, No. 6 (1888), p. 7.

straight away. One is involuntarily driven to the conclusion that in spite of all the financial progress of the country during the last twenty-five years, the improvement in the material condition of the masses has been small, indeed—perhaps, not greater than was necessary in the interests of the fiscal administration.

That this should be so would appear quite natural to any one who has grasped the nature of the task which Lord Cromer had set before himself from the very first moment of his arrival in Egypt. It was, as we have seen, the prime condition of the continuance of the British stay in Egypt that the interests of international finance should obtain complete satisfaction, and it was, therefore, on the administration of finance that Lord Cromer's attention was mainly concentrated. With a view to obtaining the greatest possible success in that direction, everything which did not directly bear on the problem was allowed to go by the board, and *per contra*, all that helped to its solution was carefully attended to. In itself, therefore, it was no concern of Lord Cromer whether the fellah prospered or not, except in so far as he was the prime source of the State revenue, that is, a tax-payer,[1] and it was accordingly his tax-paying capacity, not his general material welfare, that he was anxious to develope. It is, no doubt, true that both go usually hand in hand, and that the tax-paying capacity of a people is best developed when its economic condition is taken care of. It is, however, possible to improve the condition of the people up to the limit dictated by the necessities of the fisc, and no more, just as it is possible to take care of a flock of sheep up to the limit required by the interest

[1] In the course of the above interview Prince Hussein complained that "nobody lends him (the fellah) a helping hand to enable him to rise from the state of misery and need in which he finds himself. Nobody does anything to improve his lot or enlighten his mind or form his education. No one gives him any counsel. . . . He is abandoned, and no effort is made by the Government for the advancement of the fellah in the way of progress."

in their wool or meat. And this is just what Lord Cromer had from the first determined should be the limit of his exertions. Many years later he boasted that "the principle on which I always insisted when I was myself a Commissioner (of the Caisse) was that the interests of the bondholders and those of the Egyptian people were identical."[1] The statement was scarcely true for the period which it mentioned, but it became true after Lord Cromer had become the sole ruler of Egypt—with the important qualification, however, that the identity of the interests of the two parties was conceived in the terms of the bondholders, and not of the people of Egypt. The economic resources of the country were carefully developed, but only in that direction in which it was immediately useful to the financial administration; what was above and beyond this fiscal use was either not developed at all or ruthlessly put down.

We can trace this policy in that branch of Egyptian industry which occupies now the foremost place in her economic life, almost to the exclusion of all others. We mean the cultivation of cotton. The discovery that there was money in cotton does not, of course, belong to the English. Already Ismail Pasha knew the secret, and encouraged the cultivation of cotton with all the means at his disposal. During the first ten years of his reign the export of cotton increased from 815,000 cwt., value £6,503,000, to 2,104,000 cwt., value £10,070,000, and remained during the rest of his reign at the average figure of seven to eight million sterling per annum.[2] It was, however, Lord Cromer who fully appreciated this source of wealth from the fiscal point of view. He rightly perceived that valuable as all other sources of wealth were, such as the cultivation of food-stuffs or sugar, their products could not compare from a marketable point of view with cotton, for which there was always a great demand. The former might be more valuable to the culti-

[1] Egypt, No. 1 (1902), p. 3. [2] *Ib.*, No. 6 (1888), p. 7.

vator himself, who would be able to produce the necessities of his own life, but they would not be so valuable from a commercial point of view as cotton, whose exports would put into circulation a vast amount of money, and would create the basis for the growth of an important commercial community. To the cultivation of cotton, then, all attention was turned, and everything was done to facilitate and encourage it. Chief among the measures to promote the cultivation of that valuable article were those relating to the sphere of irrigation. Here, too, as we have seen, the English were not at all the pioneers. Long before they came to rule Egypt the native Viceroys, Mehemet Ali, Said Pasha, and, above all, Ismail Pasha, had covered the country with a network of canals, introduced steam pumps and other machinery, and constructed and projected some of the chief irrigation works of the present day.[1] By his own efforts Ismail Pasha succeeded in adding enormous tracts of cultivable land, taken away from the desert, and in increasing the cotton crop three and fourfold. In fact, it was Ismail Pasha who had laid the foundations on which the English afterwards built.[2] Nevertheless, it would be absurd to deny the achievements of the English in this direction. By sinking nearly £2,000,000 of borrowed money, and devoting a large part of the yearly revenue, aggregating many millions more, the English have succeeded in resuscitating the irrigation system from the decay into which it had fallen during the last years of Ismail Pasha's reign, when all money and all effort were absorbed by the struggle

[1] Alluding to the construction of the Barrage in the Delta, Mr. MacCoan (l.c., p. 250) said: "The result will be an enduring monument for both the Sovereign and the engineer (Sir John Fowler), to whose joint energy and skill its achievement will be due."

[2] With a remarkable disregard of facts, Lord Cromer in his report for 1900 declared that "the seed from which the present material prosperity of Egypt has grown may, indeed, be said to have been planted in 1884" (Egypt, No. 1 (1901), p. 20).

to meet the usurious coupons,[1] and in extending it in various directions, including the construction of new works. It must not be understood that this work has been all success. Far from it. Plenty of money and effort were wasted in the first years of the Occupation in unsuccessful experiments, mainly due to the erroneous conceptions of the problem which had been imported from India, where the conditions are different. There was also in consequence of this a great depreciation of land in some of the best parts of Egypt, amounting sometimes to 50 per cent.[2] Nor is it even now firmly established whether all the constructions effected by the English have really been useful. The chief construction, carried out by the English, the Assuan Dam, has been condemned in the strongest terms by some of the greatest engineering authorities of the day, who are at the same time well

[1] A description of the wretched state of the irrigation works at the time of the Occupation is contained in Lord Dufferin's report (Egypt, No. 6 (1883), pp. 52–3). Lord Dufferin, however, does not mention the fact that the decay was due to the spoliations by the bondholders and the Dual Control. Instead he tries to place the guilt for it on the landlords, at whose hands "several projects of extended canalisation have suffered shipwreck," threatening, as they did, to supersede their pumping systems. There may be, of course, some truth in this. Vested interests are the same everywhere, as witness the decay of the canal system in England, owing to the obstruction on the part of the railway companies. At the same time it is only just to remember that if, for instance, the great Delta Barrage was allowed to decay, the fault was not that of the landlords, but of the Dual Control which had leased the irrigation of the adjacent districts to an English Company, headed by the Duke of Sutherland, which contemplated the introduction of a vast pumping system (see *supra*, p. 119; also Egypt, No. 2 (1890), pp. 150 and following).

[2] Plauchut, "L'Egypte et l'Occupation," 1889, pp. 179–81. In the light of the extravagance and wastefulness with which Ismail is alleged to have executed his public works, it is instructive to note that the cost of construction of most of the public works under the Occupation has far exceeded the original estimates. The repair of the Barrage swallowed the whole of the money which had been assigned for the job plus an addition of £169,000 (Egypt, No. 2 (1890), p. 39). The cost of the Assuan Dam was originally estimated at £2,500,000. It actually cost £7,000,000. The construction of the Roda bridges was estimated at £285,000, and it cost £400,000.

known as staunch adherents of the Occupation,[1] while the administration of the Irrigation Department meets with the criticism of even the British Press in Egypt.[2] With all that, the external success of the British irrigation work and administration has been very great, seeing

Similarly the cost of the Zifta bridges was estimated at £450,000, and it amounted actually to £700,000. The building of the Khedivial Library was estimated to cost £85,000. and it cost £130,000. Such instances could be multiplied almost *ad infinitum*. Pity there is not an international commission to examine the books.

[1] Speaking before the Khedivial Geographical Society, Cairo, on the projected raising of the Assuan Dam by several metres, Sir William Willcocks, the famous engineer, said: "Egypt has been committed to an expenditure of about £1,200,000 for that supplementary work alone, whereas if the dam had been constructed in accordance with the primary plan, it would have had a storage capacity of two milliards cubic metres, and would have cost under a million sterling. . . . The shocking waste of public funds is the scorn of independent engineers in Egypt, who are conversant with all the circumstances connected with the history and building of the Assuan Dam." ("The Times," January 22, 1908). The raising of the Assuan Dam has involved the submerging of the island of Philae, with its famous ancient temples. It is always difficult to judge when the beautiful and the historical may be sacrificed to the useful, but seeing what an outcry is being raised in this country each time the Swiss project a new railway on some hitherto inaccessible mountain, one cannot help marvelling at the absence of effective protest in this country against this colossal act of desecration. King Cotton has evidently his own rules of æsthetics.

[2] Says, for instance, the "Egyptian Gazette," in the course of a leading article in its issue of December 29, 1909: "However eminent the irrigation engineers may be in their own profession, they are not agriculturists, and are naturally pursuing their own policy without proper regard to agricultural considerations. One example of this may be given in connection with which complaints are frequently made. Owing to their ignorance of agriculture irrigation officials frequently order the clearing of canals and drains at a moment when their closing, which is necessary for clearing purposes, must have a disastrous effect upon the crops. An irrigation engineer will light-heartedly close a canal in March and a drain in June, to the enormous detriment of the surrounding country." We may well imagine what the state of things must be when even a loyal paper like the "Egyptian Gazette," cannot help breaking out into complaints like these.

that by these means the cotton area has expanded between 1884 and 1908 from about 800,000 to 1,640,000 feddans (acres), the cotton crop has increased from 1,818,000 to 6,250,000 cantars (=99 lb.), and the cotton exports have grown from £6,244,000 to £17,091,000.

Yet this enormous expansion of cotton-growing has been of more than a doubtful value. First, it has been achieved at the expense of all other agricultural pursuits—so much so, indeed, that Egypt, once the granary of the world, has become dependent for its food supply on foreign countries. Within the period just mentioned the import of live cattle, meat, fish, butter, cheese, etc., has increased from £314,000 to £1,162,000, that of cereals, vegetables, and farinaceous foods, from £510,000 to £3,785,000, and the import of wheat, wheaten flour, and maize has increased from 50,864 in 1899 to 209,597 tons in 1908.[1] This means that the whole agricultural development of Egypt, encouraged by the extension of irrigation and forced by the high taxation, has been absorbed by the increased cultivation of cotton. Just as the geese at Strasburg are fed and fattened until they turn all into liver, so has Egypt been fed by irrigation, in order that it may all turn into cotton. To the Exchequer and Lancashire this, no doubt, has proved very profitable, but whether the Egyptian peasant who has to pay for his foodstuffs prices that are "considerably greater than the prices . . . in Europe"[2] has benefited to the same extent is very questionable.

Secondly, the mere dependence of the population and of the finances of the country on one single crop constitutes an evil which even Lord Cromer, towards the close of his stay, was constrained to acknowledge as very dangerous.[3] One single failure of the crop, owing to a low Nile, or a

[1] "Commerce extérieur de l'Egypte," 1884-1903, Tableau II; Report on the Trade and Commerce of the consular district of Alexandria for 1908, No. 4324 Annual Series, pp. 7 and 13.

[2] Report, No. 4324 Annual Series, p. 8.

[3] Egypt, No. 1 (1906), p. 21.

crisis on the international cotton market, or a severe attack by the cotton-worm—and the country is hurled into misery. Thus, in 1904 two million pounds' worth of cotton was destroyed by the cotton-worm, and a vast number of small cultivators were ruined and starved with their families.[1] Similar disasters befell the cultivators in 1908 and 1909,[2] who, it is said, lost in the two years quite £8,000,000.[3] Above all, it is now an admitted fact that the yield of cotton per acre is gradually diminishing in a most alarming manner, and the entire cotton industry is threatened with extinction at no distant time.[4] Thus, on the State Domains the yield per feddan has decreased between 1895 and 1909 from 5·21 to 2·04 cantars, that is, by 50 per cent, and an analysis of the figures shows that this decrease is progressive.[5] A number of semi-official and wholly official Commissions have already been inquiring into the subject,[6] but there can be little doubt that one of the chief causes of the deterioration of the hitherto fabulously fertile soil of the Nile valley is to be sought[7] in the rising height of the water table, consequent upon the indiscriminate extension of irrigation without the application of corresponding means for drainage. Owing to the high level of the canals and to the holding up of

[1] Egypt, No. 1 (1906), p. 21.
[2] Egypt No. 1 (1909), p. 20; (1910), p. 18. The shortage in 1908 amounted to 100,000,000 lb.
[3] This is the opinion of the members of the Egyptian delegation which waited upon Sir E. Grey in 1908 (see their Report, Alexandria, 1909, p. 33).
[4] See, for instance, Sir Eldon Gorst's remarks in Egypt, No. 1 (1909), p. 20.
[5] Egypt, No. 1 (1910), p. 12.
[6] A Commission of the Khedivial Agricultural Society held an inquiry in 1908–9, and now two Commissions have been appointed by the Government, one of representative men interested in the production of cotton, and another consisting of scientific experts.
[7] See the remarkable lecture by Mr. W. Lawrence Balls before the Cairo Scientific Society at Kasr-el-Aini Hospital in November of last year, reported at great length in the "Egyptian Gazette" of December 2 and following days, 1909 (cf. Egypt, No. 1 (1910), p. 18).

the water by the numerous and inconsiderately high barrages, the water gets infiltrated into the soil, logs the subsoil, asphyxiates the roots, and upsets the necessary development of the plant. This was foreseen—at least in part—by some of the engineers themselves, such as Sir Colin Scott-Moncrieff and Sir William Willcocks,[1] but so great has been the infatuation of the authorities with irrigation and so chary were they in incurring any additional expense, that the work of drainage has been completely neglected, with the results which we now witness. In some places already manuring has had to be used, in order to counteract the growing deterioration of the soil, but though the results have proved satisfactory, it obviously cannot remove the fundamental evil. Besides, artificial manures, though freed from customs duty, are expensive for the fellah, costing as they do between 20s. and 25s. per acre, while natural manure is scarce, owing to the difficulty of feeding animals, consequent upon the high prices of fodder.[2]

We thus see that the expansion of cotton cultivation, though so far profitable to the Exchequer, has not by any means proved a blessing to the Egyptian people. At the same time it must be borne in mind that the only other branch of agriculture, tobacco cultivation, has, as we have seen, been deliberately suppressed for the sake of customs revenue, while what still remains of the once flourishing sugar industry[3] is, even if revived and extended, manifestly inaccessible to the small peasant.

The situation is yet more aggravated by the fact that in the course of their twenty-eight years' rule the British have not only not succeeded in building up a single manufacturing industry, but have effectually killed whatever possibilities there had been for one. It will be noticed

[1] Mr. Balls' lecture, "Egyptian Gazette," December 2, 1909.
[2] Egypt, No. 1 (1909), pp. 21 and 22.
[3] Between 1890 and 1908, not to go further back, the export of sugar fell from 26·8 mill. kilos, worth £E338,425, to 3·9 mill. kilos, worth £E50,106.

that all the agricultural industry had been established and greatly developed before the English ever set their foot on Egyptian soil as rulers. Cotton, sugar, wheat, tobacco, had all been cultivated with great success under the native régime, and all Lord Cromer's régime succeeded in in that respect was to expand one of these industries, to suppress another, and to reduce the remainder to insignificant proportions. But with regard to the manufacturing industry his work has been pure destruction, and nothing else. A country lacking coal must naturally experience some difficulty in developing a manufacturing industry, and when the coal is burdened by an import duty of 8 per cent *ad valorem*, as the case was in Egypt till 1904,[1] the difficulty becomes still greater.

Nevertheless, even under these unfavourable conditions, a cotton-spinning industry was at one time in existence, and owing to the proximity of the raw material and the cheapness of labour, contained good promise of future development. Lord Cromer, however, out of regard for the Lancashire cotton lords, placed an excise duty of 8 per cent on all cotton products, and the industry was killed. This is the sole achievement of the British rule in the domain of manufacturing industry. The apology offered for this barbarous act is that since imported cotton goods have to pay a customs duty of 8 per cent, as a revenue tax, native cotton goods would have been heavily protected without a corresponding excise duty, and this would sin against the principles of Free Trade, of which Lord Cromer is a faithful devotee. It is the same original interpretation of Free Trade which obtains in India. Commonly that fiscal doctrine means that you must not raise to the consumer the prices of commodities by shutting out, through import duties, corresponding foreign goods. Lord Cromer has altered it in the sense that you must kill your own industry, lest it should supply the consumer with cheaper goods than those which are

[1] It still amounts to 4 per cent.

imported. It is a pity Lord Cromer did not apply that singular interpretation all round, and did not put an excise duty on raw cotton itself, as he had done on tobacco.

It is not necessary to pursue the subject any further. What has been said is enough to show the reader how very unsound has been the economic development of Egypt under England's ægis, and how purely negative have been the results of her labours in that field, except in so far as the finances are concerned. For the sake of finance, that is, the interests of the bondholders and the Stock Exchange, both the present and, still more, the future of the economic welfare of Egypt have been sacrificed, and the foundation laid for the inevitable ruin of the country. So long as there is still room left for the further expansion of the cultivable area through the extension of irrigation; so long as the soil has not yet become entirely exhausted; so long, lastly, as the world's supply of cotton is still limited—as long will the false glimmer of economic prosperity still play over the face of Egypt, and the public, misled by the growing figures of the budget and exports, will remain in the innocent belief that Egypt is marvellously progressing. But the moment must come when the circumstances, above enumerated, will combine to depress the cultivation of cotton in Egypt, and then, unless measures are taken in the meantime to correct the mistakes and the crimes, the historical valley of the Nile will turn again into a desert. Then, perhaps, the English themselves will find that it is no longer worth keeping Egypt under their rule, and will evacuate. The ruin, however, which they will leave behind, will remain for ever a monument of their rule, during which the seeds of the decay had been sown and carefully nurtured.

CHAPTER XX

THE MORAL EFFECTS OF BRITISH ADMINISTRATION

IT now remains for us in this historical survey to pass under review the progress made by Egypt during the period of the British Occupation in other directions, namely, moral and political. This is a subject so vast as scarcely to admit adequate treatment within the limits of a brief chapter, and we shall have to content ourselves with the consideration of but two or three of the most important of its aspects.

Our task is considerably facilitated by the fact that the British themselves scarcely lay any claim to having brought about any considerable moral improvement in the conditions of the life of the Egyptian people. While dwelling at great length on the material successes of their long administration, they make very little pretence to pose as moral reformers, and while describing in full the new machinery, administrative, judicial, and educational, which they have introduced, they refrain from telling us exactly what the effect of these institutions has been on the minds and the habits of the Egyptian masses. They are, indeed, fully conscious that this effect has been practically nil, and in their loss how to explain it away, they place the blame for it on the supposed character of the Islamic religion and the innate immobility of the East.[1] It is a very convenient method of accounting

[1] No truly educated and cultured man will be able to read Chapters XXXV and XXXVI in Lord Cromer's second volume of "Modern Egypt," purporting to describe the mind, manners, and the religion of the Egyptians, without disgust. In his recent

for a phenomenon which is discrediting to the Power responsible for the government of the country; unfortunately for it, the East and Islam have recently shown examples of moral progress which have left nothing but the broken remains of that specious doctrine.

Perhaps the best measure of the moral "progress" made by Egypt in the twenty-eight years of British rule is supplied by the fact that from the very first moment of Lord Cromer's arrival crime has been on the constant increase. Thirty years ago Mr. Cave could declare in the House of Commons, without fear of contradiction, that a lady could traverse unescorted the whole of Egypt without being once molested by a native.[1] In 1906, the last year of Lord Cromer's stay, there were committed 3201 felonies, including 741 murders, 392 attempts at murder, 497 robberies, and 521 cases of arson, and there occurred 63,853 cases of misdemeanour, including 16,579 cases of theft.[2] No wonder that Lord Cromer had himself to admit "that this increase of crime . . . is the most disquieting feature in the whole Egyptian situation."[3] In a subsequent passage he speaks of this increase as being a "recent" phenomenon, but that is simply misleading. As far back as 1888 Mr. Portal, his *locum tenens*, reported to Lord Salisbury that crime was still "rather

volume, "La Mort de Philae," M. Pierre Loti very appropriately quotes from the "Hadith," a sacred legal book of the Moslems, the following sentences: "To be instructed is the chief duty of every Moslem. Whoever seeks knowledge is more loved by God than the one who fights in a holy war. The one who instructs the ignorant is like unto a living man among the dead. It is a sacrilege to prohibit science. Science is the life of Islam, the column of faith. Study is preferable to worship. Go and seek instruction even if you have to go as far as China."

[1] ". . . a country in which there is the greatest security for life and property, and the most entire freedom of religious worship, a country in which European ladies unattended except by natives may and do travel in perfect safety from Alexandria to the second cataract—and of how many Christian countries can this be said?" (Hansard, "Parl. Debates," Vol. 231, 1876, p. 626).

[2] Egypt, No. 1 (1907), pp. 85–6.

[3] *Ib.*, p. 85.

increasing than diminishing,"[1] and in 1884 Lord Cromer himself had transmitted to the Home Government a batch of reports from his agents drawing attention to the great increase of crime.[2] In 1885 he even instituted special "commissions of brigandage"—practically courts-martial—to combat crime, and in the end, after five years of their existence, he had to admit that the country was still far from being "pacified."[3] All through the time of the British Occupation crime has kept on increasing with an almost clockwork regularity, and at present it is the one outstanding feature of Egyptian social life.

Lord Cromer had been at a great loss to account for it. In 1884, when attention was first drawn to the phenomenon in the above-mentioned reports, it was attributed to the "abolition" of the courbash. "The entire suppression of the courbash," wrote one of the Vice-Consuls, "has rather encouraged brigandage, accompanied with murder some times." "The abolition of the courbash," reported another, "has been followed by a considerable increase in crime." "The summary suppression of the use of the courbash has had a very bad effect on the population," wrote a third agent.[4] Now that we know from the lips of Lord Cromer himself that that great "reform" was for a long time inoperative—that, in fact, the courbash was very liberally used, not only as a means of punishment, but also for the extortion of evidence, by the commissions of brigandage during the years 1885–90, we may dismiss this explanation of the growth of crime as fantastic. No doubt, however, it served its purpose for a time, soothing the public by the consideration that the increase of crime was but the temporary price paid for such a great and permanent reform as the abolition of the courbash. But time went on, the courbash had

[1] Egypt, No. 2 (1888), p. 83.
[2] Egypt, No. 1 (1885), pp. and following.
[3] Lord Cromer, l.c., Vol. II, p. 289.
[4] Egypt, l.c., pp. 37 and 38.

long been relegated to limbo, and yet crime not only did not disappear, but actually went on increasing. Lord Cromer suddenly discovered a new and rather startling reason. "We are so accustomed in Europe," he wrote, "to associate an increase of crime with an increase of poverty, that I must confess that during the last few years I have been somewhat puzzled to explain the apparent anomaly that a notable increase of crime has taken place simultaneously with a very remarkable and progressive increase of general prosperity. . . . To those who are only accustomed to deal with the criminal statistics of European countries, it may seem a glaring paradox to suggest that the increase of crime is in some degree due to the growth of prosperity." Yet, he declares, that has been the case in Egypt. "Large numbers of persons, who but recently were very poor, have now become moderately rich. Having tasted the enjoyment of wealth, they wish to become richer, and in their desire to attain their object, they are far more frequently than heretofore brought into collision with others who are seeking precisely the same object as themselves."[1] This was a most remarkable sociological doctrine, and was corroborated the following year by Mr. Machell, the then Adviser to the Ministry of the Interior, who drew up a special Memorandum on the subject. "The extraordinary prosperity of the fellaheen," he declared, "has whetted their appetites and created in them a lust for gain. This breeds envy, malice, and hatred. The greater amount of crime in Egypt to-day can be directly traced to these causes."[2] There was, however, one awkward thing about this ingenious theory—it set people thinking that, perhaps, one of the premises on which it was based was not quite correct. The association of crime with prosperity was really a "glaring paradox," and the average unsophisticated mind was apt to reject it in favour of the more natural assumption that the alleged prosperity

[1] Egypt, No. 1 (1905), p. 44.
[2] *Ib.*, p. 115.

of the fellaheen was itself unreal. We cannot tell whether Lord Cromer himself realised the danger involved in his doctrine, or whether his attention was drawn to it. At any rate, after propagating it for two years, he felt himself constrained to drop it, and evolve a new theory. This time it was one which was more congenial both to his mind and to that of his public. "It generally happens," he writes in his last report, "that increasing poverty is the parent of increasing crime. No one with the least knowledge of the country will think that the recent (?) increase of crime in Egypt is due to poverty. . . . It (the cause) is, I think, to be found in the fact that the law does not inspire sufficient terror to evil-doers."[1] Here Lord Cromer's mind found its proper level. The cause of the growth of crime is the leniency of the law—*ergo*, increase its stringency, restore, if needs be, the courts-martial, and crime will disappear.

It is unnecessary, in the face of Lord Cromer's own experience, to attempt to refute this police-view of the growth of crime in Egypt. The roots of the phenomenon lie much deeper than the mode of application of the law—they lie in the work of destruction of the economic and social organisation which the British rule had compassed during the quarter of a century of its existence. All native authority had been overthrown at one blow, and their place was taken by foreigners without knowledge either of the customs or even of the language of the people, who only knew how to issue peremptory orders and to punish their infraction with severity. The reign of terror which had been instituted in 1885 was in itself sufficient to create an amount of lawlessness which years of patient reform would not have been sufficient to allay. But instead of proceeding in the path of reform, the Occupation continued to concern itself exclusively with finance, and left the work of social and moral reconstruction to the newly organised system of police, which placed between

[1] Egypt, No. 1 (1907), p. 85.

the population and the traditional administration—the Mudirs, the Omdehs, and the Sheikhs—English police officials with the traditions of Scotland Yard or the Irish constabulary behind them. The results could not fail to be what they are, and it is a vain hope which expects to see them disappear through the increased application of the same measures which have brought them about.[1]

The failure to pacify the country stands in close connexion with the failure to educate it. The neglect of education is, indeed, one of the outstanding features of Lord Cromer's rule, and is characteristic of his entire administration. When occupying the country, the English made much capital out of the alleged unripeness of the Egyptian people for self-government, and in his famous report Lord Dufferin faithfully promised that the development of education will be one of the foremost concerns of the new rulers, in order that "the cry of Egypt for the Egyptians should not be a vain one."[2] But there is a vast distance between promise and performance in all dealings of the English with Egypt, and in no other domain has it been so great as in that of education. In the chapter dealing with the achievements of Ismail Pasha we already described his great concern for the cause of education. Even when pressed by his creditors,

[1] In July, 1909, a terroristic law was decreed to combat crime (see later on, p. 350). It is interesting to place on record the fact that the view put forward in the text as to the true causes of crime in Egypt is fully shared by Mr. James Currie, the Minister of Education at Khartum, as applied to the Soudan. "Mr. Currie," writes a correspondent in "The Times" of November 2, 1909, referring to the anthropological survey of the Soudan recently made by Dr. D. G. Hogarth, "Mr. Currie recognised that all attempts at improvement must rest upon a thorough knowledge of local conditions, social organisations, native jurisprudence, and the ideas and ideals of the various elements of the population. The native conceptions of the relation of the individual to his fellow and of the authority of the head of the local state are very different from those of Europeans, and it would be disastrous suddenly to break up the structure of native society, to weaken, or to promulgate revolutionary ideas."

[2] Egypt, No. 6 (1883), p. 66.

he could still spend on education £87,000 per annum, including £23,000 out of his own pocket. Yet twenty-five years later, in 1888, the budget of education amounted only to £70,000![1] The reason for this neglect of one of the paramount duties of every civilised administration is not far to seek. "Want of money," says Lord Cromer, "was the first obstacle in the way of rapid progress"[2]—or any progress, as it would have been more correct to say. As soon as the Europeans got hold of the administrative machinery of Egypt, everything was sacrificed to the interests of the bondholders, and the British masters continued the same policy. In 1877 and the year following, the expenditure on education was cut down to £29,000, and under the Dual Control it only reached £70,000.[3] That figure remained unchanged practically during the entire subsequent decade, and it began to rise only after 1890. In 1906, after much pressure from public opinion, both in this country and in Egypt, it reached the sum of £362,000.[4] In comparison with the figure of £87,000 under Ismail this sum looks respectable, but we must not forget that since then more than thirty years have elapsed, the population has more than doubled, the revenue has increased by 50 per cent, and instead of a crushing burden of debt, there was in 1906 an accumulated Reserve Fund of nearly £16,000,000. What progress has the educational budget made in England in the course of these thirty years? As a matter of fact, the sum mentioned barely amounted to three per cent of the total expenditure in that year, while England spends over 7 per cent of her budget, excluding local rates. It has been estimated that in the course of the first twenty-five years of the British Occupation no less than £258,000,000 have been obtained in gross revenue. Out of this only £2,801,000 have been spent on education, that is, 1 per

[1] Egypt, No. 4 (1889), p. 9.
[2] Lord Cromer, l.c., Vol. II, p. 528.
[3] Lord Cromer, *ib.*, p. 527.
[4] Egypt, No. 1 (1907), p. 34.

cent.[1] The budget of 1909 was still below £500,000, and went to maintain 50 Government schools and colleges, with 849 teachers and over 11,000 pupils, and 144 Government kuttabs (village schools), with 412 teachers and 13,365 pupils. Grants-in-aid were, moreover, issued to 3582 kuttabs, with 6358 teachers and 156,542 pupils.[2] The existence of the latter class of schools which merely obtain a grant-in-aid is itself proof of the insufficiency of the Government expenditure on popular education; but even if they had all been maintained out of public funds, the total number of children receiving elementary education would still amount to but 165,000 in a nation of over 12,000,000. In 1873 the British Consul at Alexandria, describing the efforts of the Viceroy on behalf of education, remarked: "The education in Egypt is still backward and limited; thus the number of those attending primary schools is 90,000, which in a population of 5,250,000 represents a proportion of 17 per 1000, a proportion less than in any European country except Russia."[3] What shall we think of the state of education and of the efforts of the present rulers of Egypt, when, after a lapse of thirty years, with a most marvellous financial progress behind them, the number of those attending primary schools amounts to but 16 per 1000, and that at a time when the state of education in all other countries has been improved to a most remarkable degree?[4]

As a matter of fact, the population of Egypt, now numbering over 11,000,000 souls, only counts slightly over 600,000 persons able to read and to write, or, ex-

[1] See the speech by Ali Kamel Bey, brother of the late Nationalist leader, on May 14, 1908, at Alexandria.
[2] Egypt, No. 1 (1910), pp. 40 and following.
[3] C. 1009 (1874), p. 729.
[4] "The mass of the Egyptian population," said Lord Cromer in the course of a speech at the Eighty Club on December 16, 1908, "is still sunk in the deepest ignorance, and this ignorance must necessarily continue until a new generation has grown up." An excellent testimonial to the benefits of the British Occupation!

cluding foreigners, 85 literate males and 3 literate females per 1000 of the population.[1] This is a disgrace which cannot be palliated by any arguments, considering the countless millions that have been sunk in the Soudan on railways, on bridges, and other objects of a similar kind, which "pay." In the days of the old "barbarous" regime there was a primary school almost in every provincial district, and a secondary school in every capital of a province. There were besides six high schools, not counting the four military schools. Most of the primary schools have been degraded to the level of kuttabs; of the secondary schools all but three have been suppressed, and no single new high school has been established.[2]

We read in Sir Eldon Gorst's last report:[3] "The boys in attendance (at the primary schools) number 7941, a decrease of 223 over last year . . . 80 candidates were refused in Cairo for want of room." "The number of students (at the secondary schools) has grown very rapidly . . . and it has been impossible to increase the number of classes in the same ratio. . . . The size of some of the classes has passed far beyond the accepted limit. To reduce these inconveniences restrictions have been placed on the number of new admissions." "The Nasrieh Training College is intended for Sheikhs. There are now 9 classes with 275 students, as against 10 classes with 303 students in 1908, the numbers having been reduced to prevent the supply of teachers exceeding the demand." Everywhere restrictions and reductions for want of room amidst a universal orgy of engineering and building constructions.

But this educational deterioration has not been confined to quantity only. The schools have become mere seminaries for Government officials, and are largely used as an instrument of "anglicisation." There are only six Government high schools in the whole country—mainly

[1] Egypt, No. 1 (1909), p. 8.
[2] "Campagne de Mohamed Bey Farid" (collection of papers read in Paris and Elsewhere), 1910, pp. 16–17.
[3] Egypt, No. 1 (1910), pp. 42 and following.

for the study of law and engineering—but their curriculum is really that of secondary schools, just sufficient for the preparation of functionaries of a subordinate rank. For the pitiful salaries which the lower officials still get, it would have been impossible to obtain the services of Europeans; hence it was necessary to keep up the old high schools, so as to obtain the required contingent of such officials from among the natives.

The idea of a university had for a long time been scouted, and even when it became popular, owing to the propaganda of the Nationalists, who commenced collecting money for the establishment of one on their own account, Lord Cromer, while professing a cheap sort of sympathy with it, expressed his opinion that "manifestly, some little time must elapse before the scheme can be realised." The initiators of the movement, was his advice, had better first study the history of universities in other countries, and "should also endeavour to educate the Egyptians generally towards an intellectual grasp of what are the real objects which they have in view."[1] But the movement was too strong even for him, and in the following year his successor, rightly thinking that it was better to have a University under Government control than under that of the Nationalists, agreed to grant the necessary sums, and the University, without much ado, was started at the end of 1908. But even with a University the Egyptian youth will still have to flock to other countries[2]—chiefly to France and Switzerland—as its wont has been for the last twenty years or so, since it is doubtful whether the Government will continue to take a serious interest in the institution, and will conduct it on lines agreeable to the nation. The manner in which the Khedivial School of Law—at one time a superb institution under the guidance of eminent French jurists—had been dragged down to

[1] Egypt, No. 1 (1907), p. 95.
[2] It is estimated that the number of young Egyptians receiving higher education abroad is not less than 600, of whom 300 are studying in France ("Campagne de Mohamed Bey Farid," p. 21).

the position of an indifferent secondary school is a warning as to the fate that may possibly also befall the University. The former Director of that School, M. Lambert, was rudely ejected from that post, to give place to an Englishman who had only just obtained his scientific degree, and while M. Lambert was at once invited by the French Government to fill a vacant chair of Law at the University of Lyons, the Khedivial School was placed in the hands of a man who had no conception of the Legal Code which obtains in Egypt.[1] Both at this and other high and secondary schools the teaching had been systematically carried on in English, and, to some extent, in French, to the exclusion of Arabic, and the invariable reply to the complaints was that Arabic was not a scientific language, that there were no suitable textbooks in that language, and that it was difficult to obtain the services of Professors knowing Arabic.[2] In face of the great history of Arab science and culture in the Middle Ages, such a

[1] The full version of this story was given by M. Lambert himself in the 'Temps," but it formed the subject of numerous questions in Parliament. One of the gravest crimes of M. Lambert was that he signed the petition for the release of the Denshawai prisoners. As for Mr. Hill, he was first imported by Mr. Dunlop from Canada, we believe, to teach history at the Khedivial School, and was afterwards appointed Professor of Roman Law. At that time, however, Mr. Hill did not as yet possess his degree, and had to continue his studies at the Ecole de Droit. He afterwards passed his examination in Paris, though not before he had failed in his first attempt. These vicissitudes, by the way, of English "Professors" in Egypt are not solitary. A Mr. Young, possessor of a literary certificate, was set by Mr. Dunlop to teach chemistry, and was afterwards shifted to the Survey Department. Another gentleman, who had a diploma in science, taught English literature, and was ultimately transferred to the Ministry of Finance. These and other instances will be found in the "Temps," July 17, 1907, written anent the Lambert affair.

[2] Reply of Sir Edward Grey to a question in the House on February 21, 1907. The question had been put by Mr. J. M. Robertson, who pointed out that object lessons and geography were taught in the primary schools in English; history, geography, arithmetic, algebra, and science were taught in the secondary schools in English or French only, and all instruction in technical schools and professional colleges in English only.

contention, so far, at least, as the nature of the language and the text-books were concerned, was the height of absurdity, and owing to the insistence of the Nationalists and their friends in this country, an effort is now being made to reintroduce in some schools Arabic as the medium of instruction. On the other hand, Egyptian and Arab history still remain outside the curriculum of the secondary schools, this subject not being regarded as necessary for the examinations in the so-called "secondary certificate," which alone opens an official career either as a functionary or a school teacher!

As regards primary education, it is sufficient to know that it is neither compulsory nor free, nor going much further than the three R's.[1] The teachers in the publicly maintained primary schools are mostly poorly qualified youths, while the village kuttabs are permitted to proceed on the old patriarchal lines, familiar also in England prior to the Education Act of 1870. When the Nationalists began their agitation for a University, Lord Cromer, in order to stop the flow of subscriptions, started a counter-agitation on behalf of kuttabs. Now that the Nationalist idea has triumphed, the kuttabs are again allowed to "stew in their own juice," and many of them, it is stated, have been turned by the local Omdehs into stables, or straw depôts, and similar village conveniences. It is remarkable that in spite of Egypt being preponderatingly an agricultural country, agricultural knowledge is neither imparted in the primary nor in the secondary schools, and the only Agricultural High School in existence is so inadequate that large numbers of young Egyptians seeking admission are yearly turned away from its doors.[2] None

[1] Free education has even been abolished in the Religious Foundation (Wakf) schools.

[2] It is curious to note that at the same time scholarships of £10 and £12 are offered to students of the Agricultural School under certain conditions in order to encourage them to take their instruction in English (question in the House by Mr. J. M. Robertson on August 15, 1907).

of the modern States have grown to the conception of the school as the highest and most important institution which a nation can have. In no other country, however, is the Government conception of the school so low as in Egypt. There it is treated as a most humble Cinderella, only fit to do the kitchen-work of the Occupation.

There can be no doubt that one of the main evils of the educational system of Egypt is the practice of filling the teaching posts by imported Englishmen, instead of by natives. It may seem monstrous that a handful of English people, who are avowedly only in the "temporary" occupation of the country, should thus try to impose upon a nation of eleven millions their foreign language and their foreign methods of thought. But that is just what Lord Cromer had been pursuing in the past. The idea may be chimerical, and, in point of fact, is chimerical; but its mere conception speaks volumes for the spirit in which the task of realising the watchword of "Egypt for the Egyptians" was approached by the agent of the Occupation. Without any mandate such as Austria had in regard to Bosnia and Herzegovina, the English have endeavoured to transform Egypt surreptitiously, as it were, into a British colony, and for that purpose used the schools as a means for spreading their language and habits of thinking. It was in 1890 that this policy of "anglicisation" was first introduced by the then newly appointed Inspector of Schools, Mr. Dunlop, now Adviser to the Ministry of Education, who began the practice of holding prize examinations in the English language. Mr. Portal then reported: "Mr. Dunlop informs me that, when they have the opportunity, the boys show great anxiety to learn English, as well as a remarkable aptitude in doing so. It is, therefore, to be hoped that by increasing the number of English teachers, both in the primary and the more advanced schools, additional opportunities may be given to the rising Egyptian generation to make

themselves familiar with the language."[1] The solicitude for the newly discovered linguistic talents of the Egyptians would have been very touching, if the question had related to Arabic or some other language than English. As it is, we can see that the alleged aptitude of the young Egyptians for learning English was merely used as a pretext for demanding the importation of English teachers, who would then conduct instruction in that language and thereby force all those who seek education and a Government career to learn English. It was not a question for those in power whether they should themselves learn the language of the country—Lord Cromer himself never learnt a word of Arabic; their endeavour was to force their own language on the subjected race. That the acquirement of knowledge was bound to suffer by this method of anglicisation was no concern of theirs, but they had the satisfaction of observing that within ten years, from 1889 to 1898, the number of pupils in the Government schools who studied the English language increased from 1063 to 3859, or from 26 to 67 per cent of the total number of pupils, while the number of those who studied French, the traditional language of the educated classes, dropped from 2994 to 1881, or from 74 to 33 per cent of the total number.[2] It is, however, a moot point whether by undergoing compulsorily, as it were, a course of study in English, the Egyptian educated youth does not learn at the same time to hate the English and their language.[3]

[1] Egypt, No. 2 (1890), p. 163. [2] Egypt, No. 3 (1899), p. 42.

[3] This is what M. Jean Rodes, the well-known publicist, writes in the "Temps," of March 31, 1910, after a long visit to the East and Egypt: "This impotence of England (to impose her culture on Egypt) manifests itself specially in the domain of language. After thirty years of occupation, though possessed of an irresistible means of pressure by way of official education, university diplomas, and Government posts, England has not succeeded in implanting in Egypt her language and civilisation. On the other hand, the French language, so far from losing ground, as the predominance of another nation might have led us to fear, has rather progressed. This is not only due to the long co-operation in the past, and to the growing importance of our interests, but also to the particular

So much for education. There are few countries in the world in which there is, among, at least, the better situated classes of the population, such a thirst for knowledge as in Egypt. Nowhere, however, has the Government done so little to satisfy that thirst. The people have been asking for bread, and the British rulers gave them not even a stone, but a serpent.

Quite on a par with this general work of education has been the special work of education for self-government. We remember the solemn assurances of Lord Dufferin to the effect that the English want to be the "best friends and counsellors" of the Egyptian people, without imposing their views upon them or holding them in "an irritating tutelage," but permitting them—nay, "desiring that the Egyptian people should live their own lives and administer their own government."[1] The practical application of these beautiful doctrines has been the energetic pursuance of that policy of filling all the most important posts of the administration by foreigners—and, of course, mainly by Englishmen—which, as we have already seen, had been introduced with the establishment of the first control over the Egyptian finances. Prior to the British Occupation, the policy mainly served the end of providing relatives and friends with comfortable berths at the expense of the Egyptian Government. Under Lord Cromer another aim was added, that of excluding the Egyptian people from any share in the government of the land and transforming it, as far as possible, into a British administration. Between 1896 and 1906 the number of officials in the Egyptian Civil Service in-

affinities arising from the unquestionable gravitation of the Mediterranean races towards our culture and our forms of life. Possibly one must see in this also, to a certain extent, the result of the anti-British sentiment which still finds there unforeseen ways of asserting itself. However that may be, the situation in this respect is such that in no branch of administration, with the possible exception of the railways, can an English official efficiently discharge the duties of his post, if he does not know our language."

[1] *Vide supra*, p. 235.

creased from 9134 to 13,279, but while the number of foreigners increased from 690 to 1252, or nearly doubled, the number of native functionaries increased from 8444 to 12,207, that is, increased only 50 per cent. Of the foreigners in 1896 only 286 were British, but in 1906 the latter numbered 662.[1] Still, even such an inequality in the numerical distribution of officials between the natives and Europeans would not have been half so bad but for the fact that the overwhelming majority of the natives occupied the lowest positions in the service, while all the best and really dominating posts were occupied by foreigners. The 13,000 native employés include postmen, railwaymen, telegraph operators, and so forth, while the real and responsible part of the administration lies in the hands of Europeans, chiefly Englishmen. Take, for instance, the railway service.[2] Of the 36 superintendents, receiving salaries of £600 a year and over, 32 are Europeans and but 4 are Egyptians. Of the 93 inspectors, receiving salaries of from £26 to £48 per month, 74 are Europeans and but 19 are Egyptians. Of the 276 sub-inspectors, who receive salaries of from £16 to £25 per month, 147 are Europeans and 129 are Egyptians. But of the 5428 railway operatives, who only get a salary below £16 a month, 5230 are natives and but 198 are foreigners. In a similar manner are the posts distributed in all other branches of administration. The best posts are given to foreigners, the worst to natives, and the intermediate are distributed in accordance with the amounts of responsibility and salary attached to them; the higher the responsibility and salary, the more posts are given to foreigners; the lower they are, the more posts are given to natives.

It is needless to dilate on the amount of training in the art of administration which such a system of filling Government posts affords to native talent. It is the standing cry of the Egyptian people that, whereas the

[1] Egypt, No. 1 (1907), p. 36. [2] *Ib.*, p. 40.

British had come to educate them in the art of self-government, everything has been done by their Agent to eliminate them from the administrative services. As in education, so in the distribution of Government posts, the natives are treated like pariahs in their own country, being excluded from all responsible positions and being condemned to the humiliating task of executing, at a small pittance, the behests of their foreign superiors. Lord Cromer had at one time himself pointed out how the low positions and the petty salaries which are the lot of the native officials are bound to lead to corruption. A man cannot exist, with his family, on a salary of £6 or £7 per month in Egypt, and he is certain to peculate and to accept bribes. As late as 1902 Lord Cromer himself had to admit that "a great deal of petty corruption still exists, especially in the provinces,"[1] and what he said in 1891 remains true to this day: "I doubt whether, even now, some of the subordinate officials are sufficiently well paid to afford adequate protection against temptation to increase their incomes by illicit means."[2] Substitute for "some" "all," and bear in mind that these subordinates are mostly natives, and you will have the measure of humiliation in which the Egyptians have been placed in their own country.

As against them, we have the superior caste of English officials who are taught to regard themselves as the pivots of all whereby Egypt lives. The last report issued by Lord Cromer[3] contains a touching appeal to the English officials not to lose heart either at the ingratitude of the Egyptians who cannot or will not appreciate their efforts on behalf of the country, or at the cavils and criticisms of their own countrymen who do not know of their achievements, but to proceed further on their sacred path of duty, sure of the reward of their own

[1] Egypt, No. 1 (1903), p. 35.
[2] *Ib.*, No. 3 (1891), p. 4; compare Egypt, No. 15 (1885), p. 60.
[3] *Ib.*, No. 1 (1907), pp. 101–2.

conscience. How the officials concerned must have laughed in their sleeves at this paternal admonition! Not less amusing must have appeared to them the tone of elegy in which Lord Cromer, at the conclusion of his appeal, animadverted on the decline of sympathy which had recently become observable in the English official circles towards the Egyptian people—a phenomenon totally unknown in former times! This admonition and this complaint have since been repeated, with a striking lack of originality, by Sir Eldon Gorst.[1] As a matter of fact, however, neither Lord Cromer and his present successor, nor their officials, have ever entertained anything but the profoundest contempt for the Egyptians, while regarding themselves as heaven-inspired rulers and saviours.

The famous Denshawai affair can serve as an instance of the spirit which pervades British rule in its dealings with the Egyptians.[2] Another, exactly similar, case occurred

[1] Egypt, No. 1 (1910), pp. 50–1.
[2] It may be worth while to refresh the memory of the reader on this harrowing affair. On June 13, 1906, five British officers went out shooting pigeons at the village of Denshawai. This kind of sport had been previously resented by the peasants, but this time it led to an attack by a crowd of villagers, owing to a threshing-floor being set on fire, and a peasant woman being wounded by one of the shots fired. The assaulted officers defended themselves with their guns, and four peasants were shot by them in the legs. The peasants were only armed with sticks, and of the officers one was struck on the head, and another had his arm broken. Ultimately the officer who had been struck on the head, Captain Bull, was sent by his comrades to the camp, five miles off, to fetch assistance, but the heat being intense, he received a sunstroke, fell, and died the same evening. The villagers were arraigned before a special tribunal for murder and assault, and four of them were hanged in the compulsory presence of their fellow-accused, their relations, and the entire village, two, including the peasant whose wife had been shot, were sentenced to penal servitude for life, one for fifteen years, six for seven years, three to one year's imprisonment with hard labour, and six were sentenced to receive publicly fifty lashes each (Egypt, Nos. 3 and 4 (1906). It must be noted that the verdict of murder in the case of the four hanged was returned in the face of the evidence of Dr. Nolan, who stated that the wounds of Captain Bull had been caused by violent blows with a blunt instrument, but that the direct cause of death was heat apoplexy. Owing to

many years ago, when two English officers, while engaged in shooting near the Pyramids, in close proximity of the village of Kuffra, accidentally wounded a child, and in the ensuing scuffle with the father, the gun of one of the officers went off and killed the unfortunate peasant. The officers were thus guilty of manslaughter, but instead of making them responsible for the incident, the crowd, which had assembled and attacked them for killing the man, was dragged before a special tribunal, and twelve of them were sentenced to be flogged in the presence of their fellow-villagers, and to be imprisoned with hard labour for a term of six months. This was a wonderful exhibition of English justice, which gained additional significance from the fact that but two days previously another case had occurred in which an Italian doctor, shooting in a cornfield at Shoubrah, had been attacked by the peasants, and in the ensuing struggle for the gun, the latter also went off and killed the doctor. In that case, however, the fellaheen were acquitted.[1] Needless to say, it was not justice in either of these three cases. Both in the Denshawai and the Kaffra cases it was the caste-spirit of English officialdom and English mastership

example of injustice

the intense agitation both in Egypt and in this country, the Denshawai prisoners were released at the beginning of 1908.

In his despatches describing the affair Mr. Findlay, the then acting Agent and Consul-General (Lord Cromer had left for England), had the audacity to speak of the trial as one "conducted with dignity and in strict accordance with law—there has not been the slightest trace of either panic or vindictiveness." This in face of the fact that the trial took place before a special tribunal, that the proceedings only lasted three days, that only a fortnight elapsed between the committal of the offence and the executions, that the court did not hesitate to remark that the officers "could have shot the aggressors as they did the pigeons," and that the village of Denshawai itself was deprived of its Omdeh and placed under the exceptional rule of policemen specially drafted from Cairo! "It may, indeed, be said," was the comment of Lord Cromer on the affair and the trial in the Memoranda appended to Mr. Findlay's despatch, "that the judicial system (in Egypt) is, perhaps, half a century in advance of the ideas and standard of civilisation of the people."

[1] Plauchut, l.c., pp. 217–18.

which was abroad and demanded the "exemplary" punishment of the impertinent "native."

To speak in these circumstances of the "decline" of sympathy among the new generation of English officials towards the people over which they rule is nothing but an insulting irony. The British masters of Egypt never entertained the slightest sympathy for the Egyptians, and, so far from educating them to self-government, their constant care has been how best to kill in them all knowledge, all dignity, and all claim to become citizens in the country which is theirs.

PART IV

THREE YEARS OF A NEW RÉGIME

"No doubt, the indefiniteness of the British Occupation of Egypt would only be prevented from becoming an eternity by some circumstance over which the British Government had no control. When the British Government and the British arms entered a foreign country, the tendency was to diminish self-government, and even the capacity for self-government. All that was known of the most recent proceedings in Egypt showed . . . that anything like the independent working of any native institutions would be carefully guarded against by British interests."

Mr. O'Donnell in the House of Commons in 1883.

CHAPTER XXI

THE POLICY OF GINGERBREAD

WE have now arrived at the last stage of our journey. Beginning with the year 1875, when the so-called Egyptian Question first arose, we have surveyed the long chain of events which led to the occupation of Egypt by the British, and then we have passed under review the results which have been achieved by the Occupation since. Neither the origin nor the results of British rule supply the least justification for the aggression of England, and now as thirty years ago, she is in Egypt nothing but an intruder. But as Mr. Dicey cynically argued at the beginning of Anglo-Egyptian relations,[1] "if we are not to secure our position in Egypt because we could not prove any technical justification for our action before a tribunal of international jurists, we should have to unwrite our own history. . . . If you are in business and do not want to go into the Gazette, you cannot conduct your trade in accordance with the dogmas of primitive Christianity, and England is not only in business, &c." This has been, if not the settled view, at least the settled practice of the British Government from the very beginning till to-day. It is true that during the first years of the Occupation its irregularity and disgraceful origin were still felt keenly enough, and assurances were lavishly given both to the public and the Great Powers that England's stay in Egypt would be very brief. While the war was still proceeding, Mr. Gladstone, replying to

[1] "The Future of Egypt," "Nineteenth Century," August, 1877.

a question in the House, declared: "I can go so far as to answer the hon. gentleman when he asks me whether we contemplate an indefinite occupation of Egypt. Undoubtedly of all things in the world this is a thing which we are not going to do. It would be absolutely at variance with all the principles and views of Her Majesty's Government, and the pledges they have given to Europe, and with the views, I may say, of Europe itself." [1] A month later, while speaking to General Manabrea, the Italian Ambassador, concerning the rumour of the intended proclamation of a British protectorate over Egypt, Lord Granville assured him "that he might dismiss from his mind the idea." [2] In November of the same year Mr. Gladstone, again replying to a question in the House, compared the occupation of Egypt with that of France by the four Powers in 1815, and gave his assurances that the English Government would limit the Occupation by the conditions agreed upon with the Egyptian Government.[3] In January, 1883, Lord Granville repeated these assurances in a despatch to the Great Powers, declaring that "although for the present a British force remains in Egypt for the preservation of public tranquillity, Her Majesty's Government are desirous of withdrawing it as soon as the state of the country and the organisation of proper means for the maintenance of the Khedive's authority will admit it." [4] In 1884 Sir Evelyn Baring himself, writing to his chief, remarked that "Her Majesty's Government—most wisely, in my opinion—is not prepared to assume the government of Egypt, whether permanently in the form of annexing the country, or temporarily in the form of establishing a Protectorate." [5] Lord Granville about the same time was telling M. Waddington, the French Ambassador, that "Her Majesty's

[1] Hansard, "Parl. Debates," Vol. 272, 1882, p. 1390.
[2] Egypt, No. 2 (1883), p. 2.
[3] Hansard, "Parl. Debates," Vol. 274, 1882, pp. 1407–8.
[4] Egypt, No. 2 (1883), p. 34.
[5] *Ib.*, No. 23 (1884), p. 9.

Government were willing that the withdrawal of the troops shall take place at the beginning of the year 1888, provided that the Powers were then of opinion that such withdrawal could take place without risk to peace and order." [1] In 1886 Lord Salisbury declared that England ought to keep her sacred engagements and evacuate Egypt,[2] and the British Ambassador in Paris denied the report that England meant to make her stay in Egypt permanent, and assured the French Government that "there had been no change in the policy of this country with regard to Egypt." [3]

These declarations and promises could be multiplied *ad infinitum*, and the impression one gains from them is that at the beginning the British Government itself was not sure whether it would be allowed, or whether it would be worth its while, to continue to hold Egypt indefinitely. One must not forget that about this time the financial situation in Egypt looked exceedingly black, and the British Government probably thought that if Lord Cromer should not be able to improve it, it would have to withdraw from Egypt, even against its own will. In the summer of 1885 Lord Salisbury went so far as to send Sir Henry Drummond-Wolff, the well-known member of the Fourth Party, who had been criticising the official policy in Egypt, to Constantinople to draw up a Convention for the regulation of the Egyptian Question. Within three months after his arrival such a Convention was concluded, which provided for the despatch of a British and Turkish High Commissioner to Egypt to examine and to report on the situation in all its bearings, after which the two Governments would "consult as to the conclusion of a Convention regulating the withdrawal of the British troops from Egypt in a convenient period." [4] This seemed good evidence of the desire of the British

[1] Egypt, No. 23 (1884), p. 13.
[2] At the Guildhall banquet, November 9, 1886.
[3] Egypt, No. 2 (1887), p. 110. [4] *Ib.*, No. 1 (1886), pp. 37–8.

Government to keep its pledges. But in the course of the next eighteen months the financial situation greatly improved, and the danger of losing Egypt through sheer incompetence disappeared. Already at the end of 1886 Lord Cromer could report the great progress made in the financial administration of the country, and he was so thoughtful as to add that "the work, however, is only begun," and that "its continuance is dependent on the predominant influence of the British Government being preserved, this influence being for the time dependent on the presence of a British force in Egypt. Undue haste," he warned, "in withdrawal would undo everything that has been done." [1] These were exceedingly pleasant words to listen to, and the British Government decided to act in accordance with them. When the time for drawing up the Convention for evacuation came, it proposed that the British army should be withdrawn from Egypt at the expiration of three years from the date of the Convention, but should any danger threaten either from within or from without—and the latter comprised the non-acceptance of the Convention by any of the Mediterranean Powers, by which, of course, was meant France—it would have the right to remain. Moreover—and this was still more essential—should any disorder arise in Egypt at any time subsequent to the evacuation, or any infringement be committed of Egypt's international obligations, both the Turkish and the British Government would have the right to occupy the country once more with their troops, or failing the willingness of Turkey to act, the British Government alone.[2] This was a most remarkable condition to attach to the evacuation of a country which had been occupied illegally. As the Sultan at the time observed, it meant that any country could occupy provinces of the Ottoman Empire—Russia could occupy Armenia and France Syria—and then negotiate for a Convention of evacuation which would give it the

[1] Egypt, No. 11 (1887), p. 7. [2] *Ib.*, No. 7 (1887).

formal right of re-entry.[1] Naturally, France was incensed at such a clause. It would, she declared, make England the co-sovereign of Egypt, and so far from putting an end to British domination, would simply sanction it for all time. That would be an illusory sort of evacuation. Instead of being in illegal possession of the country, England would become its lawful master, since any opposition to her will would be regarded as an "internal" danger, and would bring in its trail a renewed occupation.

Though Germany and her allies were inclined to advise the acceptance of the Convention, France and Russia recommended the Sultan to demand the restriction of the right of re-entry to two years, and, failing satisfaction, not to sign the instrument. The French Ambassador went so far as to tell the Sultan that if he did not ratify the Convention, he, the Ambassador, could give him, in the name of the French Government, the "formal and categorical assurance that His Majesty will be protected and guaranteed against all consequences that might result from the non-ratification of the Convention." [2] We do not know whether the Sultan attached much importance to these assurances. He probably knew their value as well as anybody. He could not, however, consent to endow England with a share in the sovereignty of Egypt, and after considerable delay and hesitation he refused to sign the Convention.

It is probable that the English were rather disappointed at the failure to conclude a Convention which, though it would have necessitated their withdrawal for the time being from Egypt, would, nevertheless, have created for them a title which they had long been coveting. At the same time they could now with an easy conscience drop their former pledges and declare that but for the obstinacy of the Sultan the latter would have been fulfilled. The year 1887 may, therefore, be taken as the

[1] *Ib.*, and No. 8 (1887), p. 5.
[2] Cocheris, "Situation Internationale de l'Egypte," p. 225.

turning-point in the attitude of the British Government on the question of evacuation. Now and then it would be repeated that England would one fine day put an end to her stay in Egypt, and in 1896 Mr. Gladstone, who had the liveliest sense of obligation towards minor nationalities when he was in opposition, declared in a letter to an Egyptian patriot, that "so far as he knew, the time for evacuation had arrived some years ago."[1] But such declarations were becoming rarer and rarer, while from Cairo the utmost pressure was being brought to make the stay permanent. In 1890 Mr. (now Sir Eldon) Gorst, the Financial Adviser, reporting on the financial measures in contemplation, added that "in order that any such programme should be carried out, one condition is absolutely necessary . . . that the political situation in Egypt should undergo no radical change, in other words, that a British army should continue to occupy the country, and that the influence of the English Government, which depends largely on the presence of the army of Occupation, should continue paramount."[2] This theme continued henceforth to be harped upon almost in every report of Lord Cromer and his subordinates, and in 1895 the eternal Mr. Villiers Stuart, having revisited Egypt, went one better, and declared that "a couple of generations would be needed to enable the reforms already effected to take root and acquire permanence," since "were the country left to itself now, it would quickly relapse, the old grievances

[1] The letter was written to the young Moustafa Kamel from Biarritz, and was dated January 14, 1896. "I sympathise," wrote Mr. Gladstone, "with what I understand to be your feelings as an Egyptian, but I am wholly devoid of power. My opinions have always been the same—that we ought to quit Egypt after having fulfilled the work for which we went there, with honour and profit to that country. So far as I know, that time arrived some years ago." The honour and profit to Egypt were, indeed, immense!

[2] Egypt, No. 1 (1890), p. 1. So glad was Lord Salisbury to have this fine report from men on the spot, that he telegraphed to Lord Cromer saying that the despatch and its enclosures would be laid before Parliament (*ib.*, p. 23).

would be revived, the old abuses would be restored, the new lessons forgotten, and its last state might well be worse than its first."[1] No wonder that warned in this way by "men on the spot," the British Government, animated by the purest philanthropic motives, decided to stay on. It was not always an easy matter for them to do, since now and then some foreign Power, more particularly France, would gently remind them of their former promises, and ask them whether the time had not come for evacuation. In 1889, for instance, when the British Government was trying to effect a conversion of the Privileged Debt, M. Spuller, the then French Minister for Foreign Affairs, refused to sanction the operation unless England declared when she was going to withdraw from Egypt. The British Government replied that they would gladly do so, but the position of affairs in Egypt was so unstable. "Then, how can you propose a conversion of the Debt, when the financial situation is so unstable?" was M. Spuller's rejoinder.[2] Happily, he soon fell, and his successor, M. Ribot, waived the objection, and agreed to the conversion. The trouble with France came to an end only in 1904, when by the famous Anglo-French Agreement France agreed, in exchange for Morocco and a declaration that the British Government had "no intention of altering the political status of Egypt," not to obstruct the action of Great Britain in Egypt "by asking that a limit of time be fixed for the British occupation or in any other manner." That, of course, did not bind the other Powers who had been parties to the Constantinople Conference, but as none of them had any particular reason for raising the Egyptian question, England has since then continued to stay on undisturbed. As Lord Milner once said,[3] "the fulfilment of the professions made by a nation in the act of going to war is not, in common human practice,

[1] Egypt, No. 2 (1895), p. 2.
[2] Velay, "Les rivalités franco-anglaises en Egypt," pp. 145–7.
[3] Lord Milner, "England in Egypt," p. 26 (ed. 1904).

whatever ought to be the case in an ideal world, apt to be rigidly exacted of the same nation at the moment of victory." In the matter of keeping one's pledges, the "dogmas of primitive Christianity" are also inapplicable.

And so we arrive at the position of to-day, which it now remains for us to review. That position would have been precisely the same as it was, let us say, at the moment of the conclusion of the Anglo-French Agreement, if a new factor had not arisen which effected a complete transformation of the scene, and has become the pivot round which all the events since that diplomatic act, but more especially since the change in the occupancy of the post of British Agent in 1907 have revolved. We mean the rise of the National Movement, or, to be more correct, the revival of the old Nationalist Movement of thirty years ago in a more modern garb and with far greater means of power at its command.

It was not the least amusing feature of the last years of Lord Cromer's rule that on the basis of the long and undisturbed occupation of the country a new legend began to be created by him to the effect that the Egyptians were appreciating the "benefits" which the Occupation had conferred upon them, and that, in consequence, it was no longer physical force, but the sentiment of genuine attachment which lay at the basis of the British domination in Egypt. It will be remembered how at the time of the Arabi revolt both the official reports and the general Press were endeavouring to create the impression that Arabi did not represent the people of the country, but was a mere mutineer and rebel against the lawful authority of his sovereign. In 1883, when he visited Egypt as member of Lord Dufferin's mission, Mr. Villiers Stuart wrote a big report to prove the thesis, concluding with the following words: "They (the people) declare that they . . . perceive him (that is, Arabi) to have been an impostor; there is no sympathy whatever for him now; they expect reforms from the English, and are willing to welcome

them in Upper Egypt as in the Delta." [1] The pretensions, therefore, that the Egyptians were in love with the English, go back to the earliest days of the Occupation. Nevertheless, as we have just seen, they were soon dropped, and gave place to the frank acknowledgment that the influence of the English depended on the army of the Occupation.[2] But as time went on, and nobody appeared to press England for evacuation, gradually the old fable began to be revived under the auspices of Lord Cromer himself. Already in 1892, after the danger of the establishment of an international financial commission had passed, he wrote: "The voices and true opinions of the mass of the people of this country are little heard. My belief, however, is that they appreciate the benefits which have accrued to them during the past years, and that they would be unwilling to see any immediate change in the present régime." [3] The wonderful perspicacity which enabled Lord Cromer to perceive what was little heard has in the course of the subsequent years been constantly growing, and in 1904 attained to a considerable height. "The sole bond," he wrote in his usual modest and quasi-detached style, "which had heretofore united the rulers and the ruled in Egypt was, on the one hand, reliance on superior and overwhelming force, and, on the other, the fear engendered by the abuse of that force. Stated in the most general terms, the main object to be pursued (by us) was manifestly to substitute another bond in the place of that which previously existed, and which had recently been strained to the extent of producing what really amounted to a revolution—for it is altogether a mistake to suppose that the Arabi upheaval was merely a military

[1] Egypt, No. 7 (1883), p. 18.

[2] As late as 1887 Mr. Portal still complained: "It must not be supposed that the fellah is grateful to the existing administration for this increase in his comforts. . . . The peasant looks upon the English occupation as national misfortune" (Egypt, No. 2 (1888), p. 83).

[3] Egypt, No. 2 (1893), p. 30.

mutiny and nothing more. This new bond had to consist, partly in the contentment of the mass of the population, partly in the gradual growth of confidence in the intentions of the rulers, and partly also in the establishment of the conviction that the Government was strong, albeit its strength was exerted in a very different fashion to that of its predecessors. . . . I have no hesitation in stating that the action taken during the last twenty years in this field has produced the intended result." [1]

The description of the "sole" bond which united the rulers and the ruled in olden times, as that of overwhelming force and fear of that force, sounded rather startling from the lips of one who had many years ruled by means of courts-martial, and shortly before his departure gave a signal proof of his terroristic propensities in the Denshawai affair. The easy way in which he, in a single sentence, threw overboard the old calumny about Arabi and his movement, was also remarkable. But the most curious irony about those words was that at the very moment when Lord Cromer was commenting on the alleged change that had come over the bond between the rulers and the ruled, the Nationalist Movement was raising its head in order to give a living refutation to the new legend.

It was not to be expected that the national movement, which had behind it the traditions of a revolution and of a constitution, should entirely die out in consequence of a defeat. The same causes which originated it in the past—the domination and exploitation by foreigners—were certain to revive it as soon as the effects of the catastrophe of 1882 were overcome, and first the victories of Japan, and then the barbarity of the Denshawai gallows brought the smouldering fire of the National Movement to the surface. It was the merest accident that a young

[1] Egypt, No. 1 (1904), p. 6. At this time Lord Cromer quite seriously believed in his popularity in Egypt, and made, it is said, a private proposal to the War Office to withdraw the British garrison from Cairo.

man of genius, Moustafa Kamel Pasha, placed himself at the head of the nation, and gave expression, in words of inspiring eloquence and in actions of great courage, to its aspirations. Even without him the movement would have sooner or later become crystalised, though it is not to be denied that it was due to him that the process has been accomplished rather sooner than later.

Within a couple of years a great party was built up, several Press organs were established, and an agitation in favour of evacuation and a constitution swept the country from one town to another. It was a marvellous achievement within such a brief time, and the mortification of Lord Cromer was great, indeed, when the General Assembly itself, that "sham of representative government," at its biennial meeting on March 4, 1907, put forward, in the form of a resolution, a series of most outrageous demands, of which the most important was one for a constitution and a Parliament. The indignation of the great Proconsul was immense, and in his last two reports we can still read the invectives which he heaped upon the heads of the Nationalists. They were ignorant, they were corrupt, they were the tools of unscrupulous agitators who represented but a noisy minority, and so forth. But the agitation still went on, the ranks of the national movement swelled, and gradually the entire educated class was swept into it. Efforts were made to start and to encourage rival movements of "Moderates," who merely asked for reforms, but were content to retain the Occupation and to wait an indefinite time for a constitution. The efforts proved of little avail, and only turned to the discredit of those who made them or lent themselves to them. The parting speech of Lord Cromer at the Cairo Opera House before he left the country for ever was a formal declaration of war on the Nationalists,[1]

[1] The national movement, he declared, was a "wholly spurious and manufactured movement," and he promised that even when gone, he would not cease urging that it should be treated for what

and in his speech at the Guildhall, when he received the freedom of the City, he did not hesitate to call upon the authorities to put down the Nationalist Movement by force.[1] The advocates of the Occupation breathed freely when in February, 1908, Moustafa Kamel succumbed to the fire which was consuming him, and died. But it was just this death which proved the great popularity of the ideals to which he had been giving such remarkable expression. The death was felt throughout the length and breadth of the land as a national calamity, and 50,000 people, including the highest as well as the lowest in the land, saw his body to the grave amidst expressions of supreme distress. The Occupationists themselves stood aghast at this remarkable outburst of national feeling, and amidst their silent rejoicings they could not but feel the vitality of the ideals which rallied the Egyptian nation round the man who had first dared to re-utter them.

It was this national re-awakening of the Egyptian people that has like magic transformed the situation after more than a quarter of a century of repose. The British masters suddenly became aware that a new and unforeseen force had appeared, with which in one way or another they would have to reckon. Lord Cromer himself probably saw that a new and difficult problem had now arisen with which he, at the fag end of his long rule, would not be able to cope efficiently, and whether, as some say, it was a matter of a long-standing arrangement, or the new Liberal Government, as others would have it, was anxious to try in the altered circumstances a new policy, Lord Cromer

it was worth; and he added: "it was worth very little." See report of the speech in the "Egyptian Standard," May 6, 1907 (reprinted from "L'Egypte").

[1] "For my own part, I say, I see but one method of dealing with this unrest and disturbance in Egypt and in India. It is to continue steadily to do our duty towards the people of those two countries, and to come down with a heavy hand upon extremists, should they overstep the limits of the law" ("The Times," October 29, 1907).

on the plea of ill-health, resigned his post in the summer of 1907, and Sir Eldon Gorst succeeded him.

There can be no doubt that the new Proconsul, staunch Occupationist as he had been during his financial advisership under Lord Cromer and still continued to be at the time of his appointment, nevertheless went out to Egypt with instructions to relax the old despotic rule and to try by a conciliatory diplomacy to break up the Nationalist Movement. He was to make a move in the direction of liberalising the administration and the quasi-legislative institutions, in order to win over the more moderate elements among the Nationalists, and he was, above all, to effect a reconciliation with the Khedive, whom the brutal treatment of Lord Cromer had thrown into the arms of Moustafa Kamel Pasha and his followers to the extent of declaring himself an adherent of a constitution.[1] In the latter task Sir Eldon Gorst succeeded very soon, but the former task proved more difficult. There was, of course, no question of seriously enlarging the scope of Egyptian self-government. After long labour and consultation a scheme was elaborated—an old idea of Lord Cromer—for enlarging the Provincial Councils and extending their competence. It was, however, found that with the exception of some power, to be exercised under the control of the Ministry of Education, in the matter of establishing elementary schools, the new Provincial Councils were to be the same old impotent institutions as had been existing since 1883—chiefly consultative bodies with no power of initiative and with the Governor of the province and the Ministry ruling over them.[2] Though the scheme was not rejected by the Legislative Council to which it had been submitted, the committee of the Council did not hesitate to condemn it from the point of view of reform as well-

[1] In an interview with M. René Puaux, of the "Temps" (see latter's issue of March 24, 1907.

[2] See Sir Eldon Gorst's report for 1909 (Egypt, No. 1 (1910), pp. 27–9).

nigh useless.[1] The Legislative Council itself was given the right to throw its sittings open to the Press and the public, and to put questions to the Ministers. The latter concession was received with but a bad grace, since the right of questioning was hedged round with various restrictions (such as that the questions should be submitted five days in advance, that the Minister to whom they were addressed should have the right to refuse to answer them, that no supplementary questions were to be allowed, and that, above all, the President of the Council, who is, of course, appointed by the Government, and is, therefore, entirely in its hands, should have the right of censoring and even disallowing the questions), which made the concession nugatory.[2] No wonder that the Legislative Council, whose members are all of the richest and most educated class, tacitly refused to make use of it, and no single question was ever put to a Minister.

As these two measures practically exhausted all the reforming efforts of the new Agent, his failure in solving the second and more important part of his task is apparent. If anything, their achievement has been to disillusion even those sections of Egyptian public opinion which were by no means inclined to drop all hope that the British Occupation might yet one day educate the benighted Egyptians to self-government. Then the Turkish revolution broke out, and the ferment in consequence increased, and at its sitting of December 1, 1908, the Legislative

[1] For the strictures of the Legislative Council see the Report of the Egyptian Delegation of 1908, pp. 36–9: "The law has not been found to contain wider powers than those already conferred by the Organic Law of 1883, i.e., the nation has not made a step forward during the last twenty-seven years."

[2] "Egyptian Gazette," November 16, 1909. See also the interviews with Ismail Abaza Pasha in the same journal, November 23 and 25, 1909. What was specially galling to the members of the Council was that the new right of interrogation was not created by a decree as a law, but merely granted as a gift by a way of a simple announcement in a letter. The "gift" was only accepted by 14 votes to 12. It is as well to remember that the Council consists of 16 nominated and 14 elected members.

Council decided to add its voice to that of the General Assembly of eighteen months previously by unanimously passing a resolution demanding representative government.[1]

The national movement now became more aggressive than ever. Though the death of its foremost leader had thrown considerable confusion into its ranks and disunited many who had previously been held together by the personal influence of Moustafa Kamel, it, nevertheless, was spreading wider and wider, finding its vent in countless meetings and demonstrations, and in an ever-growing Press reaching the remotest villages of the fellaheen. An unwarranted attempt to interfere with the academic liberties of the famous Mahommedan University of El-Azhar[2]—an attempt which resulted in a general strike of its 12,000 students, the resignation of its Rector, the introduction by his successor of a police force into the sacred precincts of the building, and the ultimate surrender of the Government and the Khedive—threw even the theological youth and the Ulema into the ranks

[1] This is the full text of the resolution: "The Legislative Council solicits from the Government of H.H. the Khedive the preparation of a project of law conferring on the nation the right of effective participation in the internal administration of the country and in the direction of local affairs. The project of law asked for ought to confer on the new Assembly to be created the right of voting laws without appeal, on condition that the laws so voted may be applicable only to natives in what concerns the levying of taxes and direct or indirect contributions. The law asked for shall have no influence on international treaties, and there shall be excluded from it everything that concerns the capitulations, the Law of Liquidation, the relations with Europeans, and their rights recognised by the treaties with different Powers. This law ought not to touch the question of the tribute paid to the Ottoman Government, nor the rights acquired by the Egyptian Government for the conclusion of treaties with foreign Governments." The debate on this resolution lasted three months, which made Sir Eldon Gorst peevishly remark that "much time has been wasted in arid discussions on the subject of parliamentary Government" (Egypt, No. 1 (1909), p. 5.)

[2] "The Times," February 24, 1909. The best account, however, will be found in an article by Mohamed Farid Bey, the present leader of the Nationalist party, in the Constantinople "Stamboul" of March 23, 1909.

of the Nationalist Movement, while giving rise to street demonstrations against the absolutist powers of the Khedive and his backers, the British Occupation.

It was in these circumstances of failure and provocation that Sir Eldon Gorst decided upon a measure of repression with a view to muzzling the Nationalist Press. Already Mr. Findlay, in reporting home on the effects of the Denshawai trial and executions, alluded[1] to the "violent" campaign in the Press against British "justice"—a campaign which, in his enlightened opinion, made it evident that "large sums of money have been expended"—and warned that "should the present state of things continue . . . the date would not be far distant when the necessity will arise for bringing in a new Press law and for considerably increasing the army of Occupation." The latter measure was carried out at once, but it was left for Sir Eldon Gorst, the man with the conciliatory mission, to bring in the former. It was no new law, but one which had been issued in 1881 under the Dual Control, and was only applied once or twice by the government and not once since then. "The law," wrote at the time the Alexandria Correspondent of "The Times"[2]—"the law is so stringent that it has worked its own remedy; too ridiculous to enforce, it has been tacitly ignored by all alike." But what had been "too ridiculous" under the Dual Control, and even under Lord Cromer, was not so for Sir Eldon Gorst, who by a Ministerial decision, dated March 25, 1909, revived the old Press law. By it[3] under pain of heavy penalties, and, in certain cases, confiscation, printers and publishers are required to obtain a license from the Minister in exchange for a heavy deposit, which license may be refused or revoked at discretion, and papers may be suppressed by a simple order of the Minister after two warnings, or by the Council of Ministers without any warning at all. Henceforth the Press was to exist

[1] Egypt, No. 3 (1906), p. 13.
[2] "The Times," November 8, 1881.
[3] "Egyptian Gazette," March 30, 1909; Egypt, No. 1 (1909), pp. 4–5.

on mere sufferance without any legal guarantee or even pretext of guarantee. It has been stated by Sir Eldon Gorst[1] that the revival of the law had been previously demanded by the General Assembly and the Legislative Council themselves. This is perfectly true, only what was demanded was not a law for political purposes, but one to fight the blackmailing practices of a large section of the foreign Press.

It is no exaggeration to say that this tyrannical act of Sir Eldon Gorst contributed as much to the increase of fermentation in Egypt as the Denshawai gallows themselves. A great number of Nationalist papers were suppressed or suspended, and their editors and writers condemned to imprisonment.[2] The demonstrations and the general unrest assumed still more formidable dimensions,[3] and especially the academic youth became thoroughly aroused, and at a congress held in Geneva in September, 1909, frankly proclaimed its adhesion to the extreme Nationalist programme.

[1] Egypt, No. 1 (1909), p. 4.
[2] One of the first papers to be victimised was, of course, the "Lewa," the chief Nationalist organ, whose editor, Sheikh Shawish, was promptly sent to prison. Another Nationalist paper, "Al-Alam," was suspended for two months only two weeks after its commencement, and a number of others were suppressed. When Sheikh Shawish came out from prison on November 22, 1909, a large crowd accompanied him along the streets, and on meeting the Khedive made a demonstration before him in favour of a constitution. Sheikh Shawish has now again been sentenced to three months' imprisonment for writing a preface to a volume of "seditious" poems by El Gayate, a Nationalist poet, which had been denounced to the police by "El Moayad," edited by Sheikh Aly Yusuf, once a staunch Nationalist, prosecuted even, though with disastrous results, by Lord Cromer, but since an advocate of the Occupation. "El Moayad" has now been forbidden in Turkey, owing, it is said, to its advocacy of the claims of the Khedive among the Arab tribes.
[3] It was in connexion with these demonstrations that Harvey Pasha, the Commander of the Cairo police, first introduced the hose as a means of dispersing the crowds. The "Pasha" is well acquainted with this instrument, having previously been a subordinate officer in the Alexandria Fire Brigade.

CHAPTER XXII

REACTION AND TERROR

THE issue of the Press law was tantamount to an open declaration of political and diplomatic bankruptcy on the part of Sir Eldon Gorst. Henceforth, it was clear all pretence of constitutionalism and constitution-making was at an end, and the ancient policy of repression and suppression was to be restored. The law of July 4, 1909, "for placing certain persons under police supervision" was illustrative of the new spirit, which now animated the Agency. By virtue of this remarkable piece of legislation [1] so-called dangerous characters, that is, persons "well known to be in the habit of making attempts on the life or the property of another person, or of threatening the person or property" may, without having committed any definite offence, be summoned before special commissions consisting of the Governor of the province, the president of the native tribunal, the head of the natives' public prosecutor's department, and two notables out of twenty designated by the Minister of the Interior, and be condemned by them, after hearing witnesses and the accused or his counsel, to police supervision at their place of residence for any period up to five years, and to giving security, pecuniary or personal, for their good behaviour, failing which the accused are to be deported to selected places on Egyptian territory for the period of their supervision. The same "precautionary" measure is to be applied to persons who have committed a heavy offence, but have been acquitted by the Assize

[1] Egypt, No. 2 (1909).

Courts for "want of sufficient evidence." This law, as every jurist will at once perceive, constitutes a most flagrant violation of the elementary liberties of the subject, abolishing, as it does, regular trial by regularly constituted courts for cases in which even the element of a committed offence is totally absent or is at best merely suspected, and endowing the executive with an almost unlimited power over the freedom of the citizens. The law, of course, provides for the hearing of witnesses and the defence by counsel. This provision, however, sounds like a mockery in face of the justification which is brought forward for the measure, namely, that in Egypt it is often impossible to obtain conviction of offenders owing to the unwillingness of the mass of the people to give evidence.[1] It means that if any witnesses be forthcoming at all, they would all be simple informers and act solely in the interests of the prosecution. This is borne out by the brief experience which has already been gained in the application of the law. "In general," says Sir Eldon Gorst,[2] "the witnesses, realising that the authorities were really in earnest, displayed considerable moral courage in giving their evidence."

Moreover, the law does not fix the amount of security which may be required from the "suspected" person for his good behaviour, but leaves this entirely to the discretion of the Commissions and the Minister. As a result, the amount of security required varies from £100 to £1000, reaching in some cases even £1500, in consequence of which deportation almost in every case follows as a matter of course.[3] As soon as the law came into power special committees were appointed in every province to draw up lists of suspected persons, and within six months no fewer than 12,000 names were thus placed on the prescription rolls. This enormous number was

[1] l.c., p. 2.
[2] Egypt, No. 1 (1910), p. 25.
[3] Reply by Sir Edward Grey to Mr. Mackarness in the House of Commons on December 3, 1909.

gradually reduced to 1200 and then to 283 by the Minister, who, no doubt, felt that the matter was going rather too fast, and by the end of February 281 persons were placed under police supervision, no fewer than 272 being deported to the Dakhla Oasis.[1]

This precious measure is intended to fight the growth of crime, and in his last report [2] Sir Eldon Gorst quotes statistics showing the marked decrease of criminal offences between September 1, 1909, and February 28, 1910. We may well feel a little sceptical as to the validity of these figures, seeing that, on Sir Eldon Gorst's own showing, it took the committees six months to form the first proscription lists, which alone takes us down to the end of 1909. It seems to us also premature to conclude from the experience of a few months that the measure "will have a speedy and permanent effect in improving the state of public security." [3] What, however, we are perfectly sure of is that with this measure a most pernicious principle has been introduced in the Egyptian administration, and that at no distant date the measure will be applied for political purposes. It is true that the measure has been sanctioned by the Legislative Council itself, whose members, being men of property, have thus unwittingly sacrificed the liberty of subject on the altar of their worldly interests. But what shall we say of those

[1] Egypt, No. 1 (1910), p. 25.

[2] *Ib.*, p. 25.

[3] *Ib.*, p. 26. Sir Eldon Gorst quotes in an appendix (pp. 56 and following) an extract from the report of the Judicial Adviser (Sir Malcolm McIlwraith) in defence of the law, from which, however, some interesting passages have been omitted. In one of these, according to a Reuter's telegram from Cairo, dated April 13, 1910, and published in some of the daily papers, Sir Malcolm said: 'As will be seen from the portion of the report dealing with the recent Relegation Law, there has been a very noticeable diminution in the statistics of crime for the latter months of 1909, as a result, no doubt, of the measures adopted under that law. *How far this result is likely to prove permanent it is, as yet, too early to say.*" What is too early to say for the Judicial Adviser is evidently not too early to proclaim for the political Agent.

whose mission it is to "educate" the Egyptians to self-government and citizenship, who have initiated and carried through this abominable measure?

We have dwelt on this law at some length because it is very characteristic of the methods by which Egypt is governed, and because it is almost certain, if not repealed, to lead to some startling developments.[1] This measure takes the place of educational and social reform which alone would be able to reduce crime in Egypt permanently.[2]

In the meanwhile another great scheme was already being hatched by the Occupation authorities, which was destined to bring the excitement of the public to the highest pitch. It was the scheme for the prolongation of the Suez Canal concession. The present concession, which was originally granted in 1856, had yet to run

[1] In his report Sir Malcolm McIlwraith significantly enough expresses the hope that "after the present commissions have been in operation for some time longer, the emergency which justified their institution will have passed away." The reason for this singularly early hope (only a few months after the commencement of the operation of the "law") is, no doubt, to be sought in the fear uttered by him a few sentences before, lest the harmony which prevailed at the beginning among the members of the commission may not subsequently give way to "discord." The fear is certainly well founded, as the action of the commissions is sure to create a great irritation among the masses of the people, and to rouse the spirit of rebellion among the fellaheen. Compare with this what Sir Eldon Gorst says in his main report (p. 26): "the measure has given universal satisfaction to the inhabitants of the country." Imagine the satisfaction of any inhabitants of any country to see their friends and relatives being seized and dragged before an irregular tribunal and sentenced to deportation for no offence whatsoever!

[2] Sir Malcolm McIlwraith pronounces the greatest condemnation upon the Deportation Law and the entire spirit of the present administration of Egypt when he says: "In an Oriental community, subject to a foreign system of law, which the mass of the population neither understands nor appreciates . . . a state of affairs may be gradually brought about with which the ordinary law courts and their agents are . . . powerless to cope" (Egypt, *ib.*, p. 60). First a foreign system of law is introduced which the people cannot understand, and then, because the people break the unintelligible law, they are punished by deportation!

another sixty years, till November, 1968, but taking the time by the forelock, the Egyptian Government conceived the plan of prolonging it in the present hands for a further period of forty years, on the condition that the Company paid down in four annual instalments the sum of £4,000,000, and further agreed (1) to pay to the Government a certain percentage of the net revenue, increasing from 4 to 12 per cent, in the period between 1921 and 1968, and (2) to pay 50 per cent of the excess of the net revenue over £2,000,000, in the period between 1968 and 2008, provided the Government should forego the 15 per cent of the receipts which are allotted to it under the present convention.

It may appear very strange that the Egyptian Government—which, of course, means the British Agency—should have been anxious to negotiate with the Suez Canal Company just at present when the latter's concession had yet to run the enormous period of sixty years, and that not with a view to buying it out, but with the object of renewing it for another period of forty years. The explanation of this strange action, as given by the Egyptian semi-official Press,[1] seems to have been that Egypt when it came into the possession of the Canal two generations hence might act as Columbia acted in the case of the Panama Canal, and either refuse to renew the concession at all or impose in connection with its renewal onerous terms. This meant that so long as Egypt was in foreign hands advantage ought to be taken to filch from it its property for another generation or so. Apart, however, from the dishonesty of such a proceeding, the explanation thus offered for the extraordinary haste is obviously insufficient except on the totally unwarranted assumption that England intends to withdraw from the country at a very early date. The real cause of the action of the Egyptian Government clearly lies elsewhere, and one would not be unjustified in looking for it in the needs of the Egyptian Treasury. We have already alluded to

[1] "Egyptian Gazette," October 27, 1909.

the Reserve Funds which were established in 1888 for the accumulation of all the budget surpluses.[1] In 1904, by the Anglo-French Agreement, the two Funds were merged into one, and the control of the Caisse, now assured of the prompt payment of the coupon under the British financial management, was abolished. In this way the Egyptian Government came into the undivided possession of enormous sums of money, amounting in the aggregate to £13,000,000. In the course of the years since then elapsed another £13,000,000 are supposed to have been added to the Fund, these being the budgetary surpluses for those years, so that by this time the Egyptian Government ought to have something like £26,000,000 and more. In reality, according to official showing,[2] the entire credit of the Fund stands at slightly over £6,000,000 Where is the rest of £20,000,000 since 1904 gone to?

This is a profound mystery. In submitting the budgets to the Legislative Council the Government never gives an estimate of the sums which it intends to spend out of the Fund, but only indicates the results of the expired year's working in very general terms. This has been a standing subject of complaint in the Legislative Council, which has repeatedly demanded, but without result, a proper account of the expenditure out of the Reserve Fund, as well as the right to consider and to vote upon every item of it in advance.[3] The truth is, the Government has spent all that money, and is still spending money out of the Fund on extravagant public buildings, including barracks for the army of the Occupation, on bloated contracts, on railways, on colonial stock which has depreciated, and, above all, on the Soudan.[4] The

[1] *Vide supra*, p. 270. [2] Egypt, No. 1 (1910), p. 9.

[3] A particularly stormy sitting of the Legislative Council on the subject of the squandering of the Reserve Fund took place on November 29, 1909, when Yehia Pasha made a masterly speech indicting the financial policy of the Government ("Egyptian Gazette" November 30, 1909).

[4] See the remarkable speech of Ismail Abaza Pasha, at the sitting of the Legislative Council on January 3, 1910, since re-

latter has proved a quite bottomless pit. It has been not enough that by the Convention of 1899 that country, a province of Egypt, which had been first abandoned under the protests of the Egyptian people and then "reconquered" by the long work of Egyptian soldiers and Egyptian money, was turned into practically a British colony under the euphemistic term of an Anglo-Egyptian condominium—not enough that the British since then have not ceased to develop the country both as a market for British goods and a source of cotton supply with money taken from the Egyptians!—in the ten years ending 1908 £4,200,000 were spent by the Egyptian Treasury on the Soudan on the Government's own showing,[1] while the Legislative Council has repudiated this as the full figure by a formal resolution expressing want of confidence in the Government, and supporting the contention of its chief spokesman that the expenditure on the Soudan must have amounted to £18,700,000.[2]

published in pamphlet form at Cairo. Just recently £247,000 were spent on bridges, £912,000 on railways, £400,000 on barracks, £85,000 on dwellings for Soudan officials, £115,000 were granted as subsidy, and £80,000 were lent to the Khedivial Steamship Company—all without proper account. Besides £180,000 were lost in 1908 and £229,000 were lost in 1909, on Sir Eldon Gorst's own showing (Egypt, No. 1 (1909), p. 15; and No. 1 (1910), p. 9) by speculations in Transvaal bonds.

[1] Egypt, No. 1 (1910), p. 10. As against the subventions granted out of the Egyptian Exchequer, Sir Eldon Gorst places the sum of £1,656,000 collected by Egypt for customs, dues, etc., on the Soudan trade, as "recovered" from the Soudan. As well might the German Government book the customs dues, exacted on goods imported from the United Kingdom and subsequently exported Russia, as "sums recovered" from the latter country! For the rest the British Government is taking good care, by constructing and developing Port Soudan, not only to deprive Egypt of this source of income, but also to kill Egyptian transit trade altogether. This is also the reason why the British avoid the construction of the line between Assuan and Wadi-Halfa, which might otherwise have served as a means of carrying goods into the Soudan and the interior of Africa through Egypt. It is quite clear that the British are trying to develop all the resources of the Soudan to the detriment of Egypt at the expense of Egypt. Moreover, by dominating the sources of the Nile in the Soudan England will be able to hold the very life of Egypt in the hollow of her hand.

[2] See the above-mentioned speech by Yehia Pasha in the Legislative Council, "Egyptian Gazette," November 30, 1909.

It is this depletion of the Reserve Fund, together with the never-ending needs of the Soudan, that suggested to the Egyptian Government the idea of turning an honest penny by giving away the Suez Canal for another forty years. And in exchange for what? The Commission of the General Assembly charged with the consideration of the project found after a most detailed examination of the figures that at the most moderate estimate the Treasury would by this transaction be making a present to the Company of over £241,000,000 free, gratis and for nothing.[1] This is Moukabala with a vengeance, or, indeed, a repetition of Ismail's transaction in selling the 167,000 shares, now worth £35,000,000, for £4,000,000!

Small wonder that the Egyptian Government had the idea of concealing this excellent financial scheme from the Egyptian people. Fortunately for the latter, the Egyptian Nationalists got wind of the negotiations and raised such an alarm, demanding the immediate convocation of the General Assembly, that the Government was obliged to surrender. "It is a policy of weakness," cried in indignation the Anglo-Egyptian Press.[2] But the Nationalists went still further, and insisted that the vote of the General Assembly should in advance be accepted by the Government as binding. History has not revealed as yet the secret motives which inspired the British Agent and the Egyptian Ministers. As the British shipowners had very great doubt as to the advantages which would accrue to British shipping from the pro-

[1] "Rapport presenté à l'Assemblée Générale par la Commission chargée d'étudier le projet de prolongation de la durée de la concession du Canal de Suez," Cairo, 1910. This is an official publication of the utmost importance, and as it is not likely, on account of its damaging contents, that it would be translated and presented to the Houses of Parliament by the Government (Sir Edward Grey having declared in the House on July 5, 1910, that "they were long documents, and he did not think that the considerable expense of translating and reprinting them could be justified"), I publish it in the appendix to the present volume.

[2] "Egyptian Gazette," November 3, 1909.

longation of the concession of the Company which had treated them rather shabbily in the past, and was not likely, under the now projected terms to treat them in the future any better;[1] and as, on the other hand, the Ministers as Egyptians must have experienced some secret qualms of conscience at this gratuitous bartering away of Egyptian national property—it is permissible to suppose that the Egyptian Government and the authorities in England were themselves not quite convinced in their mind as to the wisdom and urgency of the scheme. At any rate, to the surprise of everybody, the Government ultimately yielded on that point too, and announced on April 5, when the mood of the General Assembly had already become pretty well known, that they would abide by whatever it decided on the matter. Thereupon, two days later, the Assembly promptly rejected the scheme by 66 votes to 1.

This, whatever may have been the secret wishes or fears of the Egyptian Government and the Agent, was a striking victory for the Nationalist Movement—indeed, the first victory since the revolution of 1881. For this Sir Eldon Gorst had only to thank himself in having sanctioned a scheme which, even apart from its political aspects, reflected little credit on his financial administration, and lent itself to an easy attack on all sides. Anywhere else a Minister who had conceived such an utterly indefensible scheme would have been driven from his post with ignominy.

[1] See the speech of Mr. J. Wilson Potter, chairman of the General Shipowners' Society, at the annual meeting on July 26, 1910; also the article on the Suez Canal Convention, in the Commercial Supplement of "The Times" of February 18, 1910. The chief fear of the shipowners seems to have been that the prolongation of the convention "may tend to maintain the heavy dues which are at present charged, namely, 7 f. 75 c. per ton," in spite of the promises made in 1883. Since the rejection, however, of the proposal of the Egyptian Government by the General Assembly, the administrative council of the company has announced its intention to reduce the canal rates to 7 f. 25 c. as from 1911.

But, while the agitation over the Suez Canal concession was proceeding, a sensational and intensely dramatic incident occurred which may be directly traced to the utter discredit into which the Anglo-Egyptian authorities had fallen with the issue of the Press law and the concoction of the Suez Canal scheme. This was the shooting of the Prime Minister, Boutros Pasha, by a young Egyptian chemist, Ibrahim Wardani, in the broad daylight at Cairo on February 20. How much such a development had been expected and seemed, in the circumstances, natural, may be seen from the characteristic fact that the English organ the "Egyptian Gazette" opened the story of the assassination in its issue of the following day with the words: "*At last* Egypt has followed India's example." Just so. Where action and reaction of a certain type had been following one another in a fashion similar to that which had been taking place for some time in India, political assassination as an expression of despair and a method of revenge was sure to make its appearance. "At last" Egypt had followed India, but not before the Press had been gagged, meetings suppressed, and in addition a scheme, humiliating to the national consciousness, had been set on foot. That its first victim should have been Boutros Pasha was also quite natural.

Boutros Pasha had behind him a long record of service since 1875, when as Secretary to the murdered Ismail Sadyk, the Moufettish, he had seen him to the very doors of the Ministry on the fatal day when the man was kidnapped. Since then he had occupied various posts in the administration, proved himself very useful to the International Commission in its nefarious work, become later on, under Lord Cromer, Minister of Finance, and then for Foreign Affairs, and ultimately, in 1907, had been appointed Prime Minister by Sir Eldon Gorst, in fulfilment of the policy of trying to conciliate the Egyptians by cheap "reforms." The "reform" in this case consisted in that Boutros was an Egyptian by birth, in contra-

distinction from his predecessors in office, who had been Armenians, Jews, or Circassians. It was thought that such a compliment to the Egyptian nation would greatly please the Nationalists, and induce them to subdue their agitation. The unfortunate thing, however, was that Boutros was known to be a tool of the English and had behind him the record of having presided and conducted the proceedings in the ever-memorable trial of Denshawai. If some doubt still existed in the minds of the Nationalists as to how Boutros would conduct himself at his new post, these doubts were soon dissipated by the re-enactment under his auspices of the Press law, by the subsequent prosecutions and persecutions, and lastly by the launching of the Suez Canal concession scheme. He, therefore, was doubly guilty in the eyes of the Nationalists as the virtual author of all these reactionary measures and as a traitor to his own nation. What had been intended as a bait turned into a source of additional irritation, with the result that a hot-headed youth became his murderer.

What followed is a matter of very recent history. The Egyptian Government completely lost its head and proceeded to make arrests and searches right and left, with a view to detecting imaginary secret societies and plots, so that the trial did not come off till two months later, on April 21. This gave the Nationalists time to collect their thoughts and to start a campaign in favour of the accused. It was the opinion of numerous medical men, foreign and native, who gave evidence before the court, that the death of Boutros had not been caused directly by Wardani's revolver shots, but by the operation which was subsequently performed on him in the hospital; it was, therefore, argued by the Nationalists that Wardani was not guilty of actual murder, and consequently could not be executed. There was much to be said in favour of this view, and the court itself[1] found it necessary

[1] One of the members of the Court was Mr. Bond, a judge of the Denshawai tribunal. The objections of the defence to his presence were, however, overruled.

to order a special medical commission, consisting of two English and one Egyptian doctor, to inquire into the matter. The opinions of the commission were divided, the English doctors being of the opinion that the wounds inflicted by Wardani were mortal, and the Egyptian expressing his conviction that but for the unnecessary operation Boutros Pasha would have survived. The court accepted the evidence of the English doctors, and Wardani was sentenced to death.

One characteristic incident must be noted. The chief counsel for defence was none other than Helbawi Bey, who had acted as prosecutor in the Denshawai trial, and thereby had earned for himself the execration of the whole people of Egypt. Whether the burden of universal opprobrium proved too intolerable to him, or subsequent developments had taught him better, at any rate he soon afterwards gave up his post, threw himself into the National Movement, and came to the Egyptian Congress at Geneva of 1909, publicly to declare his political sympathies. Now he acted as the chief counsel for defence on behalf of Wardani, and after a long address, in which he severely criticised the political conditions of Egypt, turned towards the prisoner in the dock and gave him his blessing.[1]

Another startling incident in connexion with the trial was the refusal of the Grand Mufti, on grounds of Koranic law, to issue the necessary "fetwa" sanctioning the death sentence. The document in which he set forth his reasons

[1] It is worth quoting the concluding words of Helbawi Bey's address, which, though for the most part delivered in camera, was soon reprinted and distributed in numberless copies among the masses. "Go to your death," he said, "with a brave heart and firm step. For death will come to you to-morrow if not to-day, and will not be denied. Go, my child, go to your God, who holds the scales of sublime equity untrammelled by the necessities of time or circumstances. Go, our hearts go with you, our eyes will weep for you for ever. Go, your death sentence pronounced by human justice may prove more than your life, a great lesson to your people and your country. Go. If man has no pity for you, Divine mercy is fathomless. Farewell, my child, farewell, farewell!" A very extraordinary address from a counsel, indeed.

was at once travestied by the Anglo-Egyptian press, so as to make it appear that according to Koranic law the slayer of a Christian was not punishable with death, nor was it till the false text had made its round of Europe and achieved its purpose of rousing Christian indignation in England that the true text was wrung from Sir Edward Grey.[1] It proved to be a colourless document following conventional lines and contained no allusion whatever to the creed of the murdered man. Whatever may have been the political bias of the Mufti, his *fetwa* was in any case ignored, and Wardani was executed, according to a provision made by Lord Cromer after the Denshawi scandal, inside the prison walls, secretly, the public and the press being rigidly excluded. The consequence of this has been that Wardani is now regarded in Egypt as its first national martyr, and the police have had to make special efforts to keep the numerous pilgrims from his grave.[2]

The examination of Butros, a terroristic act it was impossible to deny, gave the necessary pretext to the Occupation to put aside all diplomacy and to come forward openly, as what it had so long been covertly, the foreign master of the land. It was not in disagreement with the old practice of manufacturing public opinion by means of quasi-independent witnesses that Mr. Roosevelt should have been allowed, or, perhaps, prompted to take the big drum and strike the note of alarm.[3] The Yellow Press followed suit, and then came Sir Edward Grey with a solemn declaration in Parliament on June 15, 1910, about British "trusteeship" in Egypt, winding up with a proclamation that "it was the policy of His Majesty's Government to maintain our occupation of Egypt, because we cannot abandon without disgrace our responsibilities which have grown up around us there." To cap all, and to give effect to the

[1] In a reply to a question in the House on July 7, 1910.
[2] "Egyptian Gazette," August 10, 1910.
[3] In his speech in the House of Commons on June 15, Sir Edward Grey admitted that he had known what Mr. Roosevelt was going to say in his Guildhall speech on May 31.

new situation, the Egyptian Government has now issued, by means of a Khedivial decree and over the heads of the Legislative Council, three measures previously rejected by that body, which legalise Executive lawlessness.[1] The first exempts all Press offences from the competence of the examining magistrates and the summary tribunals, and hands them over, like some common law crimes, to the Assize Courts, where there is no jury and from which there is no appeal. The second, relating to school discipline, punishes with various penalties, including expulsion, all students who take part in demonstrations, either inside or outside their schools, or write or give news or act for newspapers. The third and most important of all punishes with various terms of imprisonment all "criminal" agreements between *two* or more persons, the term "criminal agreement" including all sorts of conspiracy or concerted action, or determination to act in a criminal way. The three "laws" together amount to a pretty Coercion Act, such as would have reflected credit on the Irish administration in its worst days. They mark the definite close of a twenty-eight years' period of constitutional make-belief, and open a new chapter of undisguised tyranny.

With this we have arrived at the end of our long tale. It is not given to any one to foresee what still lies in the lap of the gods, but there can scarcely be any doubt that, troubled and sordid as have been the Anglo-Egyptian relations in the past, in the future they will be still more troubled and still more sordid. The Egyptian nation has thoroughly awakened from its long slumber, and, though the grip which holds it may now be closed tighter, it will not cease struggling and fighting for its emancipation. As the stronger of the two, England may easily crush all forms of organised opposition, but by crushing them she will hurl the country into anarchy, and bring to life the bomb and the dagger. And the end? I am firmly convinced that the end will be the withdrawal of

[1] "Egyptian Gazette," May 30 and July 2, 1910.

England. A people of 11,000,000 souls cannot be permanently dragooned into submission against its will, and Europe—and Turkey in particular—will not fail to raise the question of the illegitimate occupation of Egypt at the earliest convenient moment. Signs are not wanting of the uneasiness which even the French have begun to feel over the manner in which their enormous interests in Egypt are being jeopardised by the latest phases of the Occupation,[1] and as for Turkey and middle Europe, their sentiments are too well known to leave any doubt as to how they will act at the opportune moment.[2]

[1] A most remarkable article appeared in the "Siècle" of September 2, 1910, from a Frenchman who had lived more than twenty years in Egypt, in which the author reviews the economic effect of the squandering of the Reserve Fund and the financial operations in connection with the Soudan, and concludes by saying: "It results from this, that the Anglo-Egyptian question and its corollary, the Soudan question, have become international questions which ought to engage the serious attention of the Powers—more especially of France, whose interests in the Nile valley may be put down at 3,000,000,000 francs." In introducing the author, who only signs by his initials, the "Siècle" remarks that the thesis which he puts forward is also its own.

[2] In the "Temps" of October 5, 1909, the late Grand Vizier Hilmi Pasha permitted himself to declare, through the Constantinople Correspondent of that journal, that the Ottoman Government had had no relations with the Egyptian Nationalist party, and did not want to have any, since it regarded the condition of Egypt as satisfactory. To this Mohamed Farid Bey, the leader of the party in question, made an immediate and striking reply in the "Nouvelles" of October 6. "The words of Hilmi Pasha," he said, "have surprised me, the more as he himself declared to me—yes, to me, as he received me, as the leader of the National party, together with a delegation from the party which came to Constantinople in July last year to take part in the constitution festivities,—that the Ottoman Government would never forget Egypt, and would do nothing either to recognise the existing state of things or to render it worse. Only, he said, the Government was not sufficiently strong to open the Egyptian question, but it would certainly open it when it became strong. If his Highness Hilmi Pasha should presume to repudiate his own words, I shall only remark that the delegation at whose head I was consisted of ten members, all of whom are still alive. For the rest, the same assurances were given to me by Ahmed Riza, President of the Chamber, by Ghazi Mukhtar Pasha, Vice-President of the Senate, who had received us in the absence of the President, Said Pasha, and by a number of other high Ottoman personages. A few weeks previously my friend, Dr. Osman Ghaleb Bey, had asked of the Sultan himself, for the application of the constitution to Egypt, in the course of an audience which was granted to the first delegation sent by our party with that object to Constantinople. On the following day a number of Ottoman politicians declared their desire that the Sultan should pay a visit to Egypt, as an integral part of the Ottoman Empire."

For his declaration in the "Temps" Hilmi Pasha was severely taken to task by the "Tanin," and had ultimately to resign office.

Had present-day Liberalism—and for that matter, Toryism, too—been possessed of a tithe of the statesmanship which distinguished some of its exponents in former days, it would not wait for a calamity to occur, but would avert it by voluntarily fulfilling those pledges to which it has stood committed these twenty-eight years. All precedents of British history demonstrate that England would lose nothing by such a procedure. All the talk about the Egyptians being fanatics, xenophobes, haters of the British, and so forth, who would drive out the Europeans bag and baggage from their country, repudiate their international obligations, including the Public Debt, and seize and close against all the world the Suez Canal—all this talk is mere moonshine, specially invented to safeguard the sectional interests of the various cliques which now exploit Egypt for their private benefit, of the financiers and contractors, of the Lancashire cotton lords, and of the young men from Oxford and elsewhere who enjoy in Egypt easy jobs and comfortable salaries.

The Egyptians are no more fanatics than the British themselves would be if their race and religion had been calumniated as the Egyptians have been calumniated by the advocates of the Occupation these thirty years. Nor are the Egyptians inspired by any hatred towards Europe, in spite of the great wrong done to them by usurers and Governments in the name of Europe and European civilisation. If anything, the Egyptians are too tolerant of the products and representatives of our, largely, "cannibal" civilisation, and it is

both touching and humiliating to witness the glowing and naive admiration which they entertain towards European (English included) science and culture. From the documents and programme of the various Nationalist parties one can also see how little justification there is for the belief that Egypt, when free, would repudiate her international obligations, onerous as they still are, in spite of the long British management.[1] As for the Suez Canal, the Egyptians, though fully aware of its great value as national property, are at the same time as fully conscious of its international importance, and would without hesitation part with it in return for her freedom and independence.[2]

As already said, if those who are at present ruling the destinies of this country had possessed but a modicum of statesmanship, they would have realised all these various bearings of the question of Egypt long ago, and have acted in accordance with the dignity and traditions of a great nation. We are afraid, however, that this statesmanship is lacking in both parties, who between them share the political

[1] See resolution passed by the Legislative Council on December 1, 1908, *supra*, p. 347, note. Article 3 of the programme of the National party as developed by the late Moustafa Kamel Pasha in a speech at Alexandria on October 22, 1907, runs as follows: "The respect of treaties and financial conventions which bind the Egyptian Government to pay its debts and to accept a financial control like the Anglo-French condonimium, so long as Egypt remains the debtor of Europe and Europe demands control." In the same sense Mohamed Farid Bey, the present leader of the party, expressed himself in an interview with a representative of the "Temps" on June 9, 1908: "Our programme comprises the respect for the capitulations and treaties."

[2] "Egypt," declared Mohamed Farid Bey at a "conférence" in Paris on June 13, 1910, "would be disposed to grant of its own will free passage through the Canal at the expiration of the present concession, except for a minimum right of administration and control, if Europe would guarantee to her from now all freedom from interference or foreign occupation, and would ask the English to withdraw from the Nile valley. Egypt would sacrifice all her benefits from the Canal in exchange for her liberty and independence. This is a personal idea of mine, which I submit to those who are interested in the freedom of the Canal, and to my compatriots who are not less interested in the freedom of their country." ("Campagne de Mohamed Bey Farid," pp. 37–8).

power in present-day England. The hope of the Egyptians, as in the case of most subject races, lies partly with themselves, partly with Europe, and partly with the growing democracy all the world over; and though at present it may look faint, it is nevertheless bound to be realised at one time or another. That this time may come speedily and without cataclysm ought to be the sincerest wish of all honest men and lovers of freedom who have been saddled by the rulers of this country with an heritage of cruelty and shame, much against their will, and certainly without their full knowledge.

APPENDIX

APPENDIX

REPORT

PRESENTED TO THE GENERAL ASSEMBLY BY THE COMMITTEE CHARGED WITH THE EXAMINATION OF THE SCHEME FOR THE PROLONGATION OF THE TERM OF THE SUEZ CANAL CONVENTION.

Procès-Verbal of the Public Sitting held on Monday, March 21, 1910 (10 *Rabi Awal*, 1328).

THE Committee held its first sitting on Saturday morning, February 12 last, and considered the scheme of the Convention which had been prepared by certain administrators of the Suez Canal Company in conjunction with Mr. Paul Harvey, Financial Adviser, acting on behalf of the Egyptian Government.

The Committee afterwards made itself acquainted with the memorandum of the Government (annex No. 1) containing the appended modifications (annex No. 2), in regard to which the Council of Ministers at its sitting of January 27, 1910, had unanimously decided, should they not be accepted, to reject the scheme.

In view of the fact that these two notes comprised all the written documents submitted by the Government to the General Assembly, as well as all the verbal explanations it was to furnish in support of a scheme of such importance and of such advantage, as it thought, to the country; in further view of the fact that the Committee stood in great need of full information regarding this advantage, immediate or prospective, which the Government looked forward to in the interests of the nation; the Committee decided to re-

quest the Government to send it a representative who should furnish it with all the necessary information and explanations.

Accordingly the sitting of the Committee of February 14, 1910, was attended on behalf of the Government by H. E. Ahmed Heshmat Pasha, Minister of Finance, by M. Charles de Rocca Serra, Khedivial Adviser at the Ministry of Finance, and by M. Léandre Gaspard Roussin, Financial Secretary of H. E. the Minister of Finance, who supplied at the request of the Committee the explanations from which we quote: "The Financial Adviser has submitted a note in which he has set forth the advantages of the scheme from a financial point of view."

As the translation of this note had not been addressed officially to the Committee, the latter requested the Government's representatives to furnish it with an official copy, and this it promised to do, as also to send other documents which the Committee, in the course of the discussion with the Government's representatives, had thought advisable to examine.

After a lapse of six days the Committee received the translation of the above note, together with the greater part of the documents just mentioned. The Committee examined them and thought it necessary to invite the Government representatives to another sitting, which was held on Monday, February 28, 1910.

After having studied and examined the scheme in all its aspects, in so far as time permitted, and this was far too short considering the importance of the scheme; and in consequence of the discussions which took place with the Government's representatives, at the first and second meeting, the Committee arrived at the following conclusions:

SUMMARY OF THE CONVENTION

The Convention, together with the modifications proposed by the Council of Ministers, may be summarised as follows:

(*a*) The Egyptian Government grants to the Suez Canal Company a prolongation of the Convention (which expires on November 17, 1968) until December 31, 2008, that is, for a period of forty years and forty-four days, during which

time the profits of the Canal will be divided equally between the two contracting parties.

(*b*) In return for this prolongation the Company is to pay the Government £E4,000,000 in four equal annual instalments between December 15, 1910, and December 15, 1913, and in addition engages to associate the Government, from 1921 till November 17, 1968, in the net annual receipts in the following proportions:

4 per cent from 1921 to 1930.
6 per cent from 1931 to 1940.
8 per cent from 1941 to 1950.
10 per cent from 1951 to 1960.
12 per cent from 1961 to 1968.

(*c*) Moreover, in order to determine, in the drawing up of the receipt and expenditure accounts after 1968, the share of the Government, only those loans are to be charged to the accounts which will be contracted after 1910 with a view to executing, as from 1911, ameliorative works on the Canal and its ports, provided the charges for interest and repayment are distributed in the form of an equal annuity over the whole period of the loans.

(*d*) The participation of the Government, in the proportion of 50 per cent till the expiration of the concession, is to extend to the entire balance of the assets of the concern after the Canal reverts to the Government.

(*e*) From 1969 the Egyptian Government is to be represented on the Council of the administration of the Canal by three members at most.

(*f*) Lastly, the act of the Convention concludes with a final clause stipulating that the said act shall not come into force until it has been ratified by the general meeting of the shareholders of the Company.

FORM OF THE CONVENTION

Such in substance are the main features of the scheme. The Committee might be entitled at first sight to think that it was the Government which offered to the Company to prolong the term of the concession, and not the Company which took the initiative in the matter. In fact, Art. 11 stipulates

that the scheme shall not be valid nor come into force until the Convention shall have been ratified by a general meeting of the shareholders of the Company, which means, that it is the meeting of the shareholders—in other words, the Suez Canal Company—which will in the last instance have the right either to accept or to refuse the deed, and that it is the Egyptian Government which proposes the Convention. This view of the case formally contradicts the memorandum of the Financial Adviser and the note of the Government which made it appear as if it was the Company which had proposed the scheme and asked for a prolongation of the concession.

The Committee would certainly not have dwelt on this hypothesis if it had felt assured that the Government could rely with certainty on the general meeting of the shareholders to sanction the scheme and, above all, to accept the amendments introduced by the Government.

The Committee, however, has arrived at the conclusion that the Government had really no hope of seeing the scheme, either in its original or amended form, ratified by the general meeting of shareholders. This inference follows from the following passage in the memorandum of the Financial Adviser: "This scheme has met with strong objections on the part of the shareholders of the Company, inasmuch as it is of greater advantage to the Government than to the interests of the shareholders, and we do not know whether it will be accepted by them or not."

Again we find a second proof in support of this surmise in the official letter addressed to the Egyptian Government by Prince Arenberg, under the date of January 28, 1910. The President of the Company, having, in the course of his passage through Egypt, been informed of the amendments decided upon by the Council of Ministers, declared that "he doubted whether the Company would approve of them." This reply was reported by the Government's representatives to the Committee at its sitting of February 14, 1910.

In view of the doubt expressed by the Financial Adviser as to the fate of the scheme in its original form, that is to say, before the amendments had been unanimously introduced by the Council of Ministers in his own presence, it is clear that he must have lost all hope of ever seeing the shareholders accept it at all after it had been amended by the Government.

In spite of these considerations it is just possible for the Committee to reconcile these facts with the declarations of the Financial Adviser and of the Government, as given in in their respective notes. The Committee is prepared to admit that the Company asked for a prolongation of the concession on the basis of a Convention proposed to the Financial Adviser by the administrators, and that these were not sure whether it would be accepted by the shareholders; that the Financial Adviser accepted the scheme such as it was and submitted it to the Government for its approval; and that the latter unanimously and in the presence of the Financial Adviser, refused its sanction and proposed certain new modifications, to which nobody has as yet declared his adherence.

In these circumstances it is permissible to say that there is as yet between the two parties no contract in existence, no preliminary Convention, and not even a semblance of agreement which could be made any use of, or to which the slightest importance could be attached, or which could have necessitated the convocation of the General Assembly for the purpose of taking its opinion.

And all this in addition to the doubts and suspicions which cluster round the scheme in view of the manner in which the negotiations have been conducted between the Government and the administrators of the Company. These last have shown us the Company at one time in the position of the party which proposes, and at another in the position of the party which accepts. At one time they assume an air of rejecting all modifications and are about to break off all negotiations, expecting the Government to reassume the initiative; at another they try to show (not, however, without betraying themselves) that they do not attach any importance to the scheme, though afraid lest it be abandoned. These and other manœuvres on the part of the Company as well as the Government have had the effect of arousing the mistrust of the public as to the genuineness of the interest which the Government attaches to the scheme, and have raised doubts as to the advantages which have been ascribed to it.

These considerations apart, the Committee would have expected to see the Government reserve to the General

Assembly the last word on a scheme of such importance, irrespective of whether the initiative in the matter was due to the Government, as the actual position of the project proves, or whether, as would follow from the official declarations of the Government, it was taken by the Company.

This, however, has not prevented the Committee from devoting itself whole-heartedly to the study and examination of the scheme in all its bearings so far as the time at its disposal has permitted.

The Committee, therefore, has the honour of submitting to the Assembly the results of its inquiry as well as its recommendations regarding the decision it may be pleased to take.

THE POLITICAL ASPECT OF THE SCHEME

The Committee has deemed it necessary at the commencement of its labours to inquire whether the scheme was a purely financial one or whether if it had also a political aspect, as is generally the case with financial combinations of this importance.

It has come to the conclusion that all appearances are in favour of the assumption that the scheme bears before all else a purely financial character.

The Convention of October 29, 1888, confirms this opinion and impairs the contrary view, which would see in the scheme a political element. This Convention, concluded between the Great Powers at Constantinople, assures the neutrality of the Canal during the term of the concession and after it.

The Convention in this way put a stop to all greeds and ambitions which the Canal might give rise to.

CAN THE ASSEMBLY AMEND THE SCHEME?

The Committee has also considered the question whether it is within the competence of the General Assembly only to express a favourable opinion, or whether it may also amend the modifications decided upon by the Council of Ministers.

After discussing the matter the Committee has arrived at the conclusion that the General Assembly cannot introduce any amendment to the scheme, and that its fnnction is limited either to voting in favour of the scheme, together

with the modifications introduced in some of its articles by the Government, or to rejecting it.

The Khedivial speech, in that part of it which is concerned with the reasons for the convocation of the General Assembly, leaves no doubt on that head. This is the passage referred to:

"You have been called together in order to examine if it would be advantageous to prolong the concession of the Canal for a period of forty years on the basis of an equal division of profits during that period between the Government and the Company."

Again, after considering the modifications introduced by the Government, the speech proceeds as follows:

"This compensation, from the financial point of view, has been calculated in detail by experts of the highest competence. They are of the opinion that if the proposed modifications be accepted, the advantages assured to Egypt will not only be satisfactory to the country, but will also reach the limits of what can reasonably be asked of the Company."

This declaration from the highest place does not permit any theory of amendment. At the same time the Committee is of opinion that, even if the General Assembly had the right of proposing some alterations, its labours would have no practical result.

Therefore, the Assembly need not waste its time in amending amendments concerning which the Government has declared that, according to its official information, there is little hope of seeing the other contracting party adopt them, and that it fears, on the contrary, that they may be rejected. Nor were the authors of this premature scheme able to defend it by any serious and decisive argument, the more so because the scheme was conceived and the modifications introduced some dozen years before the proper time for doing so.

On these grounds the Committee is of opinion that it does not come within its province nor would it be in the public interest to examine the scheme on the assumption that it could be amended, or even that it is susceptible of amendment.

ACCEPTANCE OR REJECTION

There is thus nothing left but to examine the question of either accepting or rejecting the scheme.

A decision one way or another must necessarily base itself on an estimate of the advantages or disadvantages, both present and prospective, which may result from it to Egypt.

MOTIVE OF THE REQUEST FOR THE PROLONGATION OF THE CONCESSION

This survey of the case gives the Committee the opportunity of offering a reasoned opinion. The Committee believes it to be its duty in this connection to indicate the reasons and the advantages which may have induced the Company to ask for a prolongation of the term of the concession sixty years before its expiration.

It is evident from the scheme of the Convention, from the circumstances which have attended it, and from the declarations which have been made before the Committee by the representatives of the Government, that the Company finds itself confronted with the necessity of widening and deepening the Canal with a view to facilitating the passage of the large vessels which have been constructed of late as well as of those which may be constructed in the future.

In order to undertake these works it would be necessary to have recourse to loans, the payments on which, if distributed over the remaining period of the concession, might perceptibly diminish the annual dividend of the shareholders. On the other hand, if the payments on these loans could be spread over a hundred years they would not cause any perceptible diminution of the profits of the shareholders.

For this reason it was in the interest of the Company, and its prime duty towards the shareholders, to take the necessary steps, however premature they might appear, with the object of deferring the end of the concession, since it would then profit, first, by the works of widening and dredging the Canal; second, by the repayment of the loans contracted by it with this object during a period of ninety-nine instead of fifty-nine years; and third, by the enhancement of the value of the shares above the figure reached hitherto. Such enhancement is usually due to several factors, of which the principal are, on the one hand, an increase of earnings, and on the other a prolongation of the period for which those earnings are assured.

And these are just the two advantages which a signature of the Convention would at once secure to the Company.

In addition the Company would have, for a period of forty more years, the advantage of enormous profits which its 50 per cent. share of the net receipts of the Canal would bring it, receipts prodigiously increased by the improvements to be made in the Canal.

It was these considerations which apparently induced the Company to seek a further prolongation of the concession. It may also be that its anxiety to see the scheme realised was accentuated by the political circumstances which, after the conclusion of the *entente cordiale*, brought France and England nearer to each other, but on the permanency of which it could not depend. This all the more because it had every inducement to profit by the change of attitude on the part of the British shipowners, whose protests became less energetic than they had been in the past.

These facts leave the advocates of the scheme no room for pretending that it is of advantage to Egypt, or for alleging that the situation which would result therefrom to the Company would expose it to losses and eventual risks.

Such allegations deserve to be regarded as mere commercial clevernesses—especially when one considers the fluctuations of the shares of the Company since the scheme was mooted, and their various ups and downs according to the different phases through which the scheme passed. These will be seen from the following record:

In September, 1909, the value of the shares varied between 4750 and 4866 francs for cash, and between 4860 and 4925 francs for account.

When the question of the prolongation of the concession was first mooted in October last, the price of shares rose by 250 francs to 4995 francs for cash, and by 275 francs to 5200 francs for account.

But when the nation expressed its desire that the scheme should be submitted to the General Assembly the price fell to 4950 for cash and 5040 for account.

Likewise the Founders' shares which stood in September at 2165 francs rose in October to 2247, and fell again in November to 2215 francs.

The prices rose again when the holders gained the impression that the hope of getting the concession prolonged was not yet entirely lost.

(See the Company's bulletins and Reuter's commercial telegrams of the dates mentioned.)

ESTIMATE OF THE ADVANTAGES TO THE STATE

In order to estimate the advantages of the Government in this financial combination the Committee is necessarily obliged to take for its basis the memorandum of the Financial Adviser, which forms the sole argument of the State—the more so because the representatives of the Government have declared that this document sets out the financial advantages of the scheme, and it has been approved by the Government, which entirely adheres to its arguments as well as to those contained in the supplementary note.

Considering that this memorandum supplies the basis for the estimates of the respective advantages to the Government and to the Company, it is necessary to examine its calculations and estimates of probability.

CALCULATIONS

The Committee has made inquiry whether the £4,000,000 offered by the Company and the percentages which it has undertaken to pay to the Government between 1921 and 1968 will compensate for the loss of the moiety of profits between 1969 and 2008, and whether the interests of one of the contracting parties will not suffer by the conclusion of such a bargain. With this object it was necessary to form an estimate of the revenues of the Canal during that period in order to arrive at the amount of the half profits which will be drawn by the Company, in return for the sums which it offers now, at compound interest.

It is impossible to lay down beforehand exactly what may be the revenues of the Canal twenty years hence—much less sixty years hence, after 1968, which is a very distant future. But this does not prevent us from drawing up an approximate estimate. There is only one way of doing it, namely, to take the present revenue as a basis and add to

it a continuous increment of yearly receipts calculated on the average increment of the receipts of the past years. In this way we shall arrive at the approximate revenue of the Canal in the future. This is the method which was used by the Financial Adviser and by which he arrived at his calculation of the advantages of the project.

The Financial Adviser made his calculations on the basis of the revenue of the Canal during the single year of 1909. The Committee sees no reason why it should not follow this method or make the revenue of that year the basis of its calculations. This revenue amounted in 1909 to 120,000,000 francs, and as the expenditure, calculated on the basis of 1908, amounted to about 47,000,000 francs, the net receipts must have been about 73,000,000 francs—a figure which the Government's representatives put forward before the Committee at the sittings of February 14 and 28, and has not corrected since.

In reality, however, the receipts of the Canal in 1909 amounted to 124,000,000 francs, of which 120,616,098 francs were the produce of transit dues, as will be seen from the Company's bulletin, issued in Paris on January 2, 1910; the remaining sum came from other sources of revenue calculated on the average receipts of a similar nature which had been realised in 1907 and 1908.

It follows hence that the sum to be taken as basis of the calculation is not 120,000,000, but 124,000,000 francs.

The Financial Adviser ought to have considered the net revenue as amounting to 77,000,000 francs, and not to 73,000,000 as he did in his last note, or to 70,000,000 as he mentioned in the first memorandum.

As regards the sum of 47,000,000 francs put down as expenditure, on the basis of the figure of 1908, it will for the most part lose its justification after 1968, when the Canal will have reverted to the Egyptian Government, seeing that this sum contains (i.) 17,000,000 francs provided for the annual payments on the debt of the Company, which debt will be entirely extinguished before the expiration of the present concession; (ii.) a sum of about 11,000,000 francs assigned to the payment of interests and dividends on the share capital, and (iii.) about 6,000,000 francs assigned for the statutory reserve and depreciation of materials. These

deductions taken into account, the real figure of expenditure will be reduced to 13,000,000 francs only, a sum representing the amount of the general expenses including those cennected with the transit, maintenance, and repairs, as well as the general administration, both in Europe and Egypt, also the expenses connected with the exploitation of the fresh-water canal, and the administration of the public and private domains.

Granted that the expenditure of the Company does not grow proportionately with the increase of the receipts, it would be logical to take 13,000,000 francs as the basis for the calculation of the expenditure after 1969, increased by another 12,000,000 to cover the possible increase of expenditure and other items of contingent expense until the year 1968.

This estimate need not excite any surprise, seeing that on going back to the beginning of the Company one finds that the expenditure in 1870 amounted to 8,000,000 francs, and that these in 1908 had only reached 13,000,000 francs, a rise of only 5,000,000 francs in forty years.

On this basis the estimate of 25,000,000 francs for the expenditure after 1968 will not be too low a figure.

In his book "Isthme et Canal de Suez," published in 1901, M. Charles Roux, the present Vice-President of the Company, remarks that "the Suez Canal Company, in contradistinction to other societies, does not find its expenditure grow proportionately to its receipts, and enjoys in this respect a privileged position. As a matter of fact we find that its receipts have grown during recent years in a most extraordinary fashion, while its expenditure has remained practically the same."

In these circumstances it will be the most reasonable hypothesis to take at once as the basis of our estimate of receipts the sum of 124,000,000, and for that of expenditure, beginning with 1969, the sum of 25,000,000 francs.

On the other hand, it must be borne in mind that according to all probability the receipts of the Canal will in the future rather grow than otherwise. Indeed, as will be seen from the Company's bulletin of March 12, 1910, the receipts between January 1 and March 10 of the current year have reached the figure of 26,120,000 francs as against 23,000,000 and 20,000,000 francs for the corresponding months of 1909 and 1908 respectively. Within this period alone, therefore,

the receipts have increased by 3,000,000 francs as compared with last year. This result is far from being accidental and fortuitous. Nor is it due to exceptional circumstances. On the contrary, the increase has followed the uniform progression which has marked the entire period during which the present concession has been in force. The average increase has throughout been 3,000,000 francs, and there is no reason to suppose that it will be otherwise in the period till 2008, and this on general grounds which will be set out later in this report.

The Committee admits in this respect three hypotheses: (i.) that the uniform increase of expenditure will amount, on the basis of the results hitherto reached, to 3,000,000 francs from now till 2008; (ii.) that this increase will amount only to 2,000,000 francs per annum from now till 2008, which hypothesis is more in accord with the logic of things, and also is in accordance with the estimates made by the Financial Adviser in his first memorandum; and (iii.) that the increase will proceed in the rather irregular fashion indicated in his last note by the Financial Adviser, who has assumed for the first period, between now and 1968, an uniform figure of 2,000,000 francs; and for the second period, between 1969 and 2008, a sum of 1,000,000 francs. The expenditure in all three hypothetical cases, including the second period, would be 25,000,000 francs.

The following table shows the part kept and the part given up by the Company in each of the three hypothetical cases:

	CASE I Annual uniform increase of 3 mill. f. between 1910 and 2008.	CASE II Annual uniform increase of 2 mill. f. between 1910 and 2008.	CASE III Annual increase of 2 mill. f. between 1910 and 1968, and of 1 mill. between 1969 and 2008.
	£E	£E	£E
Total receipts of the Canal during 40 years between 1969 and 2008 ...	559,337,000	436,669,000	405,037,000
Deduct expenses for the same period (1969–2008) at 25 mill. f. per annum	38,575,000	38,575,000	38,575,000
Excess of receipts over expenditure	520,762,000	398,094,000	366,462,000
Company's share at 50 per cent	260,381,000	199,047,000	183,231,000

Deduct payments to be made by the Company: (a) £E4,000,000; (b) Participation in the profits from 1921 to 1968 (with compound interest at the rate of 3¼ per cent) payable in 40 equal annunities from 1969 to 2008 equally at 3¼ per cent, each annuity amounting to £E3,345,000 or £E2,916,000 according to the respective hypotheses of an increase of 3 or 2 mill. f. In either case the estimates follow the system adopted by the Financial Adviser in his second table, where he has modified the figures of the first. As a matter of fact, in this table the interests both on £E4,000,000 and on the share of the Government after 1921 have been capitalised half-yearly instead of annually. This method produces a great difference in the yearly instalments subsequent to 1968. Nevertheless the Committee had adopted it and admits the validity of the figure	133,800,000	116,640,000	116,640,000
Sum remaining to the Company during the period of prolongation	126,581,000	82,407,000	66,591,000
Interest on the sum at the rate of 3¼	114,436,000	74,191,000	64,006,000
Capitalised Total	241,017,000	156,598,000	130,598,000

It results from this table that the excess sum which will revert to the Company over what it will have to pay away will amount to £E130,598,000—this on the supposition, which appeared to the Financial Adviser as the most rational and has been adopted by the Committee, viz. that the increase

of revenue during the concession will yearly amount to 2,000,000 francs.

It may be objected that the deductions set out above do not comprise the statutory reserve fund, the depreciation fund, the amortisation of the debts, as well as the amortisation of the shares, all of which expenditure will nevertheless figure in the accounts of the Company during the forty years of the prolonged concession.

To this objection one may reply as follows. The sums assigned to the reserve fund will remain such as they are at present until the expiration of the prolonged period. There is less reason to increase them as the rules of the Company forbid the enlargement of the reserve fund beyond the value reached by the shares. The same holds good of the depreciation fund, as the sums which have been paid into it since the formation of the Company to the present day—something like 50,000,000 francs—still left a balance at the end of 1908 of 49,000,000, a figure which shows that this fund has remained throughout stationary. These details are to be found in the published accounts of the Company.

As regards the amortisation of the debts the Egyptian Government, according to this Convention, will only have to contribute to that part which will fall upon it in virtue of the loans contracted after 1910 and intended for the improvement of the Canal, beginning with 1911. It may be predicted that the sum total of these loans will not be so excessive as to cause its annual repayments after 1968 to perceptibly affect the general expenditure; and this for three reasons: (i.) The repayment of these loans will be extended in the shape of equal instalments over the entire period from the day of their contracting to the day of their entire extinction, and this means that the shareholders who sanction the loans will not agree to such annual charges as would, together with the repayment of the present debts amounting to 17,000,000 francs, perceptibly affect their dividends. (ii.) All the loans, contracted by the Company, whose proceeds were used for improving and dredging the Canal, did not exceed in the aggregate by the beginning of last year the sum of 139,000,000 francs. These works resulted in doubling the dimensions of the Canal as compared with its state at the commencement of its existence. (iii.) The Company con-

tracted, June 9, 1909, a loan for 50,000,000 francs for a period of fifty-three years. It appears from the reports presented by the Council of Administration to the meeting of shareholders on the subject of this loan that its proceeds will be sufficient for the enlargement of the Canal in such wise as to permit two vessels of the largest tonnage to pass through the Canal simultaneously without having to go out of one another's way. (See the minutes of the general meeting of the Company for the year 1907.)

For these reasons, and in view of the fact that the Government's representatives were not able, in spite of the request of the Committee, to name even approximately the sum-total of the loans which will have to be raised for carrying out the improvement works after 1911, it is permissible to assume that those sums will aggregate about 100,000,000 francs.

There can be no doubt that the annual instalments necessary to repay such a sum after 1968 will easily be covered by the 12,000,000 francs which were provided to meet increased expenditure.

Hence it is clear that the deductions named above have been taken strictly in accordance with the merits of the case, and are, from a financial point of view, founded on a solid basis.

In spite of the moderation which guided the Committee in drawing up the three hypothetical cases, the result of the calculations points to a grave prejudice involved in the scheme so far as future generations are concerned, while the present generation derives no perceptible benefit, and the financial needs are not so pressing as to admit of no other means of solution but this.

It may, perhaps, be said that the Government is being driven by financial embarrassments to accept the great losses which are involved by the scheme. This objection, however, cannot be sustained, especially in face of the declaration made by the Government's representatives to the Committee on February 14, 1910, to the effect that for the moment the Government is in no pressing need of money.

But however that may be, whether the Government needs money or not, it is the opinion of the Committee that the proposed scheme offers a very bad financial operation, and

that, consequently, public money ought not to be embarked in it.

CONSIDERATIONS PUT FORWARD IN SUPPORT OF THE SCHEME

The Financial Adviser says in his memorandum that there are other considerations which justify the premature examination of the scheme.

All these considerations reduce themselves to the possible risks which may threaten Egypt in the future with regard to the Canal—especially at the moment when it will, after the expiration of the present concession, revert to the State.

It appears that these eventualities constitute one of the factors which induced the Government to exchange views with the Company and to accept the scheme, to extol it, and even defend it—especially after it had acquired the conviction that the scheme would yield a profit to the Egyptian Treasury from 1910 to 1968.

The fears raised are the following: (i.) The transit dues may be reduced to five francs per ton, in accordance with the undertaking given by the Company; (ii.) the Company may design a plan of reducing the dues before the expiration of the concession with a view to prejudice the interests of the Government should the latter not come to an agreement with it now; (iii.) the Panama Canal may offer competition to the Suez Canal; (iv.) the importance of the Canal may suffer a decline owing to scientific discoveries and the invention of new means of communication; and (v.) the Government may, at the moment when the Canal will revert to it, have to meet the demand for a considerable reduction of the dues or for making the Canal free to navigation.

As these contingencies appear to be very serious, the Committee has taken the trouble to examine them thoroughly, with the result that it has arrived at the conclusion that they are all of them more or less chimerical and deserve no attention, the more so because the Company has also several times found itself already confronted with similar threats and has arrived each time after due consideration at the same conclusion.

At the general meeting of shareholders held in Paris on June 30, 1908, the President of the Company, referring to the

possibility of competition by the Panama Canal and other maritime highways, and of the invention of new means of communication, made the following remarks: "Why should we doubt of our future? The legend of a second Canal is no longer talked of—it has completely disappeared. The Trans-Siberian and the Baghdad railways can only accentuate the rapidity of the movement of exchanges, and if we lose a few passengers, it is certain that cargoes will always prefer the sea route. As for the Panama Canal, I am afraid a good many years will elapse before it is completed, but even then the Suez Canal will form the shortest and most favoured route between West and East.

"You see, then, that thanks to the reserve fund which you have accumulated, we can always be sure, whatever happens, that your dividends will not diminish. We are looking forward to the day when a new increase of receipts will permit us to increase this fund, and this increase is coming. China is hardly yet opened up; it has a greater population than all Europe put together, and the needs of its population will grow in like measure as the means of penetration improve."

Considering further the possibility of reduced dues, the President said:

"Even the reduction of the dues need not be feared. You know very well that there never has been a reduction effected without your dividends going up. You remember that the reduction of fifty centimes in 1903 was made good within one year. You also remember that the reduction by seventy-five centimes in 1906 was made good in less than two years. You see, then, reductions are not dangerous."

Although the preceding facts make it unnecessary for the Committee to reply to some of the objections that have been raised, it nevertheless deems it to be its duty to submit to the General Assembly all the considerations which it has arrived at in the course of its inquiry on the subject, with a view to allaying fears that may exist, and enlightening the General Assembly on the question.

First as to the contingency of the reduction of the transit dues in conformity with the obligations undertaken by the Company in virtue of the London programme:

The Financial Adviser says in his memorandum: "The

transit dues in virtue of the engagements undertaken on that head tend to diminish."

The Government's representatives confirmed the existence of these engagements at the sitting of the Committee on February 14 last.

On the Committee asking to see the text of this Convention the Government's representatives transmitted to it a translation of the minutes of a meeting held at the offices of the Peninsular and Oriental Company on November 30, 1883, and attended by shipowners and a delegate representing the Suez Canal Company.

At this meeting it was decided to reduce the Canal dues.

As the Government's representatives had not communicated to the Committee the text of the Convention of which so much had been spoken, nor any document attesting its existence, and as, on the other hand, the Committee could not satisfy itself with these minutes, which were not binding on the Company, since they had not been approved by its general meeting, the Committee thought it necessary again to apply to the Government's representatives, but at the sitting of February 28 these replied that they did not possess any other document beyond the one produced.

The Committee having put the question whether the general meeting of the shareholders of the Company had undertaken to act according to the decisions mentioned in the minutes, the Government's representatives replied:

"Yes; the general meeting accepted the decision and acted accordingly."

It follows, therefore, that the Government said and still persists in saying that a Convention has been concluded with the Company, and that this Convention has been approved by the general meeting and put in force.

The precise reverse, however, is true, for in the course of its inquiry the Committee made the discovery that at its sitting of May 29, 1884, the general meeting of shareholders, so far from ratifying these minutes and accepting them as a convention, declared that "there had been no act, no convention, no engagement; that what had really been drawn up was a programme, not one article of which could be applied without having been previously considered by the general meeting of shareholders."

Moreover, the Company has distributed since 1904 dividends amounting to 28·2 per cent per share, although, as is confirmed by the Memorandum appended to the minutes of the above-mentioned sitting of 1883, the Company may not pay more than 25 per cent dividend, and all the net profits above that figure ought to be devoted to the reduction of the transit dues down to 5 francs per ton.

Is it permissible, in face of this official declaration and explanation, to pretend that the Company has bound itself by a convention to reduce the transit dues to five francs per ton?

Nevertheless, even admitting with the Government that the Company has bound itself by these minutes, what would be the result if the Company were to proceed gradually to reduce the amount of transit dues?

We have numerous proofs to show that such a gradual reduction would not affect the profits at all adversely.

As a fact, the dues have been reduced in the course of forty years by 41 per cent, that is, from 13 to 7¾ francs; notwithstanding which, as we have seen above, the receipts have undergone an increase of not less than 3,000,000 francs per annum. In 1874 the dues amounted to 13 francs per ton, and the receipts were 26,726,145 francs. When the dues, after successive reductions, stood at 7¾ francs, the revenues increased to such an extent as to amount to 124,000,000 in 1909, that is, five times the amount of 1874.

It is as well to point out that the growth of revenue does not depend on the rate of transit dues alone, but also on the quantity of cargo passing the Canal.

The revenues of the Canal are thus subject to the action of two agencies working in opposite directions. One of them operates in the direction of increasing the revenue, and consists in the transport of merchandise and in the constant development of mercantile navigation between West and East. The other agency is one tending towards the reduction of the revenue, and finds expression in the efforts of the various shipping companies, backed up by their respective Governments, to obtain low rates of transit.

As for the mercantile navigation between the East and the West it is principally dependent for its growth on two factors.

The first is the economic and commercial development of the East and the creation of numerous means of communication traversing its territories. The second is connected with the tendency of the various Powers to expand their merchant navies.

Of the countries of the East it needs to be remarked that they have only just now been born to economic life and that their development of their resources is still in its infancy.

In fact, the greater part of the countries between Suez and Kamtchatka are only now being opened to commerce, especially the Chinese Empire, the largest and the most populous of all. The economic movement of that country and its relations with Europe are still in their initial stages, but will certainly grow. This is proved by the fact that China's foreign trade is growing very markedly. In 1899 it was double the amount it had been in 1891, and since the Anglo-Chinese Treaty concluded at Tonking in 1842, thirty-eight cities have been opened to commerce. No doubt, other cities will follow suit, until the whole of the vast Chinese Empire becomes accessible to foreign trade.

So much for the progress of Oriental countries, which can be foreseen with certainty.

With regard to the European Powers it is well known that they are constantly at work with a view to increasing their merchant navies and developing their financial relations with the East.

Thus, Germany has during the last thirty years made so much progress in this respect that she is now able to compete even with British commerce, which once possessed the almost exclusive monopoly of the world's markets.

On their part, England, too, and Russia and other European countries are constantly rivalling each other in trying to increase their merchant navies intended for the East.

Hence one may conclude that the Suez Canal traffic will in the course of years to come attain such dimensions, that so far from diminishing the receipts, the reduction of transit dues will only increase them. The experience of the past bears out this anticipation.

Though it is true that all profit must sooner or later reach its extreme limit, it is, nevertheless, important to note that the revenues of the Suez Canal are still only at their beginning, and that many years will yet have to elapse before they attain their full development.

ment would be able to grant the concession for the working of the Canal in return for a reasonable compensation involving no injury to the country so far as finance is concerned. And it is permissible to hope that Egypt will find in case of necessity as powerful a support in the company obtaining the new concession as in the present one.

If the Powers should at any time, in disregard of the principle of neutrality which is applied to canals constructed by human hands, wish to abolish the transit dues through the Suez Canal, they will have in all justice to pay Egypt an indemnity commensurate with the losses which she sustained in undertaking the Canal.

AS TO THE DANGER FEARED FOR THE CANAL BY REASON OF SCIENTIFIC DISCOVERIES. THE POSSIBILITY OF NEW SCIENTIFIC DISCOVERIES OR OF NEW MEANS OF COMMUNICATION.

The Suez Canal forms, beyond doubt, the shortest commercial route between the East and West. It is not probable, therefore, that the Cape route could ever offer it any competition. The enormous difference between the two routes render all such suppositions improbable, whatever the future circumstances may be.

Here is a small comparison according to the official time tables of the French marine.

Merchant ships of ordinary speed perform the journey from Marseilles to Hong-Kong in 75¾ days via the Cape of Good Hope, and in 47 days via the Suez Canal.

They perform the journey from Marseilles to Bombay in 62½ days by the former and in 27 days by the latter route.

They reach Colombo from Marseilles in 61 days by the old and in 29¾ days by the Suez route.

They perform the journey between Marseilles and Tamatave, Madagascar, in 47¼ days by the first and in 30¼ days by the second route.

Nor, as already explained by Prince Arenberg and as is evident from the geographical situation of the two canals, is the Panama Canal likely to offer serious competition to the Suez Canal.

Being thus safe from the competition of either the Cape or

the Panama routes, the Suez Canal can be as little harmed by the Trans-Siberian or Baghdad railways.

The great stocks of merchandise which are daily exchanged between Europe and Asia will never be transported by rail so long as there is a sea route, because of the great difference in expenses of all sorts between the two routes, expenses for freight, transhipment, insurance, etc.

This is a practical truth which has been proved over and over again by experience.

European merchants would lose heavily by the transhipments involved by a carriage through Asia Minor and the Persian Gulf.

In M. Charles Roux's book occurs the following:

"I doubt whether the construction of railways, so hotly discussed, in Asia Minor could really damage the Suez Canal, and I can only repeat what I have said on the subject of the Trans-Siberian Railway. These railroads will open to the products of the West the most distant parts of Asiatic Turkey, which will in turn export its own. But commerce will prefer, for its relations with the Far East, the sea route of Suez to the half-sea and half-land route through Asia Minor and the Persian Gulf."

We may then conclude that at present neither the Baghdad nor any other railway through Asia Minor and the Persian Gulf would affect the maritime Canal of Suez.

There remains the contingency, foreseen by the Financial Adviser, which crowned his arguments in favour of the adoption of the scheme.

Scientific discoveries and new inventions in the domain of communication may diminish the value of the part played by the Canal in the commercial world.

From a theoretical point of view this idea contains nothing unreasonable so far as general possibilities are concerned. It is, however, permissible to point out that one is plunging here into the domain of the unknown, and that it is impossible, where definite data are lacking, to tabulate the abstract. In other words, the scientific results hitherto attained in this domain are of too indefinite a nature to be of any use in an estimate of concrete realities.

There is at present no other means of transporting large quantities of merchandise than railways or the sea.

It is an established fact that the Suez Canal forms the shortest and at the same time cheapest route.

There remains only aerial navigation. Whatever improvements may be effected in the future in respect of this mode of transport, it will never be of any use except for excursions, or, at most, travelling. To judge by the progress realised up to now, it is not likely that aerial navigation will ever become suitable for the transportation of heavy and bulky merchandise.

For the rest, the progress of the world proceeds on lines of uniform progress in all domains, and one is justified in expecting that the scientific inventions which may deflect a portion of the activity of the Canal in favour of new methods of transportation will find a corresponding increase in the commercial movement of the world, needing every method of transportation to cope with its volume.

On the other hand, the Suez Canal is too well protected against competition, nor can political changes affect it. Its neutrality, as a matter of fact, is guaranteed by international treaties. Up to now no political event has been able to exercise any effect upon it which could inspire us with the slightest anxiety as to the future.

Since its creation numerous wars have taken place in Europe, Asia, and Africa; important revolutions have occurred both on its banks and elsewhere. Neither these wars nor these revolutions have affected its revenues in any way. On the contrary, statistics prove that all crises and conflagrations have contributed to the enhancement of its regular receipts. Thus, in 1882, during the insurrectionary movement of Arabi, when the Canal was threatened with destruction, the receipts underwent an increase of 9,000,000 francs as compared with the preceding year. In 1904, during the Russo-Japanese War, its budget showed an increase of 13,000,000 francs over the corresponding figure of the preceding year.

All these considerations leave no room for pessimism or for foreseeing a dark future for the Canal. No fear of the kind is justified by the present position nor by any possibilities that may arise out of new circumstances.

CONSIDERATIONS WHICH MAY HAVE LED TO ACCEPTING THE SCHEME

After having examined the mathematical hypotheses and the general considerations set out above, the Committee was also anxious to examine the opinions expressed by the Government both in the memorandum of the Financial Adviser and through its representatives in support of the proposed convention.

In this way the General Assembly will have at its disposal full information with regard to all that was said on and about the subject. It will also learn exactly the manner in which the Government, without associating in its labours the representatives of the nation, examines schemes which it usually reserves to itself alone to carry out.

The Financial Adviser observed:

"The present position of the Canal is a disadvantage to the country in this sense, that the present generation, which bears so large a part of the burden of its construction, derives no benefit from it, whereas future generations may perhaps after sixty years draw from it a vast increase of wealth. It would be not only equitable, but good economy, to make Egypt enjoy to-day, and with it the generations to come, the future profits of the Canal.

The Committee is of opinion that it behoves communities, like individuals, to take advantage of the present to create, as far as possible, a provident fund for the benefit of coming generations in a future more or less distant.

This being admitted, and when we consider that the Suez Canal Company has acted on just this principle when applying fifty-eight years in advance for the prolongation of the concession over a period of forty years both in its own and in the future shareholders' interests, it may well be asked why would it not be equitable and economically advantageous for Egypt to reserve the benefits of the Canal for the future generations, not, indeed, with a view to increasing their riches, but in order to free them from a part, at least, of the heavy burden of the National and State debts that the present and the next generation will leave them—debts amounting to hundreds of millions of pounds; in order to compensate them

too, at least in part, for the funds which have been wasted by the Government and for the national estates which the latter has recently given away to companies and others to the squandering of their revenues ?

It is argued that the present situation is disadvantageous to us inasmuch as it deprives us of the profits of the Canal—profits which will only be enjoyed by future generations—and it is demanded of us that we should consent :

(1) To rob our descendants of the rights which will revert to them with the Canal—this, though the Government has already sacrificed, along with the rights acquired by the country, the shares which the latter possessed, at a price which only forms a tenth part of their present value ;

(2) To act after the manner of prodigals who consume in wasteful expenditure the proceeds of loans contracted at such usurious rates as only the improvident and the necessitous agree to ;

(3) To dispossess, in return for an immediate and insignificant compensation, all future generations of a patrimony which, perhaps, they will in a measure be able to manage better than we can, since with us neither the General Assembly nor the Legislative Council possess any real power in the administration of Egyptian affairs or in the employment of the ever-growing budgetary surpluses not assigned to the Public Debt service and international engagements.

It goes without saying that any one of the considerations set out above is sufficient to prevent us from being influenced by what is said on the subject, and imposes upon us an obligation to follow only what is right and reasonable.

The Financial Adviser argues that " a financial operation such as is now being projected will not be justified in regard to future generations unless the proceeds are employed for carrying out reproductive works calculated to yield the country a rate of interest at least equivalent to that which is taken away from future profits."

Theoretically the Committee is entirely in agreement with the principle enunciated by the Financial Adviser. It regrets, however, that, in view of past experience, it is unable to concur with him in practice, since the Government has often had at its disposal large sums which it has never thought of employing in the way indicated by the Financial Adviser.

On the other hand, those works which tended in the direction indicated must have been either of absolute or relative utility.

From this point of view it appears on the face of it a rather doubtful financial operation to alienate a portion of what may constitute a source of important budgetary revenue for future generations, in order to devote it to works little urgent, which can be carried out at a future date, when their utility will be clearer, out of funds proceeding from a source less prejudicial to the interests of the State. Again, if it is a question of devoting the proceeds of this alienation to works of immediate and actual utility, the Government can always find in the ordinary revenue funds necessary for these undertakings by simply giving them priority over works of subordinate character which absorb millions of pounds in the annual budgets, notwithstanding the protests of the Legislative Council. Such are, for example, the construction of railways in the interior of Africa, on which alone in the last months, in spite of the opposition of the Legislative Council, a sum of £E654,000 has been spent out of the Reserve Fund, or the construction of barracks for the army of Occupation, in connection with which £E400,000 were assigned last year out of the Reserve Fund for preliminary works. Besides these one could enumerate many other facts, such as, for instance, the colossal losses sustained by the purchase out of the Reserve Fund of non-Egyptian and unguaranteed securities, and all the waste which constantly results from undertakings less than useful and almost superfluous, the provisions for which are inscribed every year in a budget of some fifteen to seventeen millions without the concurrence, or participation in any way, of the Egyptian people.

The Financial Adviser took notice—indeed, he could not ignore it—of the lively dissatisfaction of the people in seeing public money spent on works of questionable utility at a time when there was the most pressing need for the development of education, for the establishment of public order, for the improvement of justice, for the amelioration of the system of irrigation and drainage, for the extension of the railway system, a good portion of which in the interior is still in private hands, and for the repayment of the Public Debt, the amount of which at present exceeds the figure of 1882. The Financial Adviser was anxious to avoid renewing the disapproval and

repugnance which had greeted his first scheme, and so, in order to induce the General Assembly to pass a favourable vote on the scheme, he took pains to calm public opinion by declaring that "the profits from this operation ought not to serve the needs of the ordinary budget, but must, on the contrary, be utilised for the purpose of carrying out works of improvement, irrigation, railways, etc., or at least for the redemption of the Public Debt."

This declaration, however, proved unavailing, and could not dissipate the fears now rooted in the public mind on the subject of the management of the State finances by a Government which is not subject to its control. This is not the time to quote facts in support of these fears. It is sufficient to remember (1) the mode of disposal of the greater part of the money in the General Reserve Fund which had been accumulated in the Caisse de la Dette Publique and withdrawn from thence after the convention of April 8, 1904, and (2) the system adopted for the carrying out of purchases and undertakings in all departments of the administration.

As a matter of fact, a glance at the preparation of the present scheme submitted to the General Assembly will be sufficient to give an idea of the care which the Government devotes to the management of our financial resources.

This important scheme, which a happy chance has placed in the hands of the General Assembly, ought to be considered by those, who are ignorant of the system on which our interests and our finances are managed, as a criterion of this management both in the past and in the future, since this system will continue to be applied so long as the Government possesses the sole power of disposing of our public interests without any effective participation, except by a consultative voice, on the part of the nation.

THE PREPARATION AND EXAMINATION OF THE SCHEME

The Memorandum of the Financial Adviser, as well as the note of the Government containing the modifications proposed by it, allude to the long negotiations which had to be carried on with the Company in order to prepare the scheme of the Convention. In the interests of the Convention the Committee deemed it necessary to consult the records of these negotiations in order to find out the essential points which were the subject of these negotiations as well as the replies given to them by the Company. In this way the Committee was led to inquire of the Government whether it had been impossible to obtain better terms, so as to be sure that nothing further could be done.

With this object the Committee at the sitting of February 14, 1910, approached the Government asking to be made acquainted with the negotiations or placed in a position to examine them. The prompt reply was that "there had been no written negotiations which could be submitted to the Committee."

The Committee was very much taken aback by this reply. How, indeed, could it be conceived that a scheme of this importance had been prepared without giving rise to correspondence, if only in the shape of a memorandum? Nevertheless, both the Financial Adviser and the Government continued to repeat that the scheme as prepared had been the result of protracted negotiations (*pourparlers*).

In despair at its failure to obtain from the Government the slightest indication of the negotiations or of the views which had been exchanged, the Committee was obliged to fall back on the letters which the Financial Adviser had alluded to at the end of his Memorandum of October 21, 1909: "Certain questions of detail," he had said, "relative to the new convention, which it would be inconvenient to deal with in the text itself, will be elucidated by correspondence with the Company. The text of those letters will shortly be laid before the Council of Ministers."

But at the sitting of the Committee of February 28, 1910, the representatives of the Government, on being interrogated on the subject, made through the Minister of Finance the following reply, which we reproduce textually: "The Council of Ministers has not had brought under its notice any letters or any questions. I am not aware of any other questions than those relating to the forty-four days and the lands which were to be acquired on the sea shore, and both these questions were dealt with verbally."

Having thus lost all hope of tracing the course of the negotiations or of examining the correspondence exchanged between the Company and the Government, the Committee

had to content itself with examining the reports of the experts to whom the speech of H.H. the Khedive on the opening day of the General Assembly alluded in the following words: "This compensation has been examined from a financial point of view in detail by experts of the highest competence."

With the object of obtaining enlightenment on this subject in the same manner as the Government had done, the Committee addressed a request to the Government's representatives to communicate to it the minutes and reports which had been drawn up by the said experts.

This is the text of the reply which was made to the Committee at the sitting of February 14, 1910: "There are no written reports. The Committee of experts consisted of several Government officials. They made certain calculations which convinced the Minister of Finance of the advantages of the scheme. Among these experts were M. Roussin, now present at the sitting, and M. Grech, an official attached to the Survey Department."

In order to be able to estimate the value of the methods of computation which had served as a basis for the labours of the Financial Adviser and of the said experts, the Committee put a question on the subject, to which the Government's representatives replied as follows: "There are no methods or rules, only hypotheses."

On being interrogated as to the data which had served them as a basis for their computations, the Government's representatives replied textually: "We possess no positive data; all these estimates are problematical."

Completely disillusioned and being unable to obtain from the Government either the written negotiations, or any trace of the letters which had been promised to be submitted shortly to the Council of Ministers, or the reports of the experts quoted by the Government in the speech from the Throne, or any definite basis for the problematical hypotheses, the Committee then made the attempt to ascertain in what way the negotiations had been conducted and in what manner the Government had proceeded to examine the scheme down to the moment of its drawing up, and on what ground the Financial Adviser was basing the demand which he put forward in his Memorandum to the Council of Ministers when he said: "I submit the

scheme to the Council of Ministers, and feel confident that having examined it, it will approve of it in principle."

On being questioned as to the phases which the examination of the scheme had passed through the Government's representatives gave the Committee textually the following reply: "The successive phases of this project are as follows: 'The Company submitted to the Government a scheme of convention. In discussing it the Council of Ministers introduced these modifications and decided to submit it to the General Assembly.' After this deliberation the decree convoking the General Assembly was signed by H.H. the Khedive."

It follows, then, that this important scheme was not submitted to special experts chosen from among the most distinguished men in Europe to examine, study, and report on it, a procedure which had been adopted by the Government in the case of the scheme for civil pensions. In that case, after having studied it for four years the Government had submitted it for examination to two celebrated experts, Messrs. Wyatt and Bryan, who were imported specially for the purpose from England and it had afterwards been submitted to another firm in London which made a speciality of this kind of business.

Moreover, it is clearly shown that the persons spoken of in the Khedivial address by the Government as "experts of the highest competence" whose labours convinced the Minister of Finance, were recruited from among its own officials, men occupying quite other positions than those usually filled by high specialists in finance, such as might be the Controller General of Accounts or the Director of Accounts in the Ministry of Finance, or any other official of the highest rank.

It would scarcely be held a serious argument to maintain that this scheme could dispense with an examination by experts on the mere ground that it is based on certain rules of accountancy or other technical principles. If only for the obligation imposed upon the Government of providing pensions for the servants of the Company after the expiration of the concession—an obligation to which the Government refused to submit—such an examination ought to have been prescribed as affording a comparative estimate of the advantages and disadvantages which would result from the scheme.

The preceding facts are not mere surmises or inferences.

They are confirmed by the declarations of the Government itself. It was a surprise to the Committee that the Government, which usually spends so much time and care on questions of quite ordinary importance, had thought it possible to deal with a matter of this grave import in such a negligent manner. What still more astonished the Committee was the character, now ambiguous, now inexact, of the replies given by the representatives of the Government to the questions which were put to them. Here is an example of ambiguity:

The question put by the Committee was: "Is the sum of £E4,000,000 which the Company has to pay to the Egyptian State to be considered as a loan bearing interest, on which the instalments will be paid out of the receipts of the Company and thus affect the annual profits reserved to the State, or will it be paid by the Company out of its reserve fund without touching the receipts?" The answer was: "It is probable that in order to obtain these four millions the Company will have recourse to a loan. This probability was taken account of in the preparation of the scheme of the Convention, and it was recognised that the repayments, capital and interest would not fail to affect the share of profits which would revert to the Government between 1921 and 1968. In any case, if it were stipulated that the charge of the loan ought to be kept outside this portion of the profits, the Company would be able to avail itself of this in order to demand compensation."

In considering this reply we find from its first part that the Government does not know to this very day whether the Company intends to obtain these four millions by means of a loan repayable by instalments, which will affect the portion of the profits belonging to the State after 1921, or proposes to take them from its statutory or special reserve fund. It results equally clearly from the other part of the reply that the period of concessions to the Company will not be closed even after the scheme has been returned to the Government.

With all that, the question would be an easy one if it was confined to this simple statement; but the Government, in addition, seems to be of the opinion that the Company will be in a position to claim compensation, and it is to be presumed that it would be disposed to treat with it even now on the subject.

As for the frequent contradictions between the replies and the facts, they are well illustrated by the incident already brought out in the course of this report. The Government has declared that the Company engaged itself to reduce the transit dues in proportion as the receipts should increase, and this in virtue of a convention approved by the general meeting of shareholders. Notwithstanding the reiterated protests of the members of the Committee the Government has continued to uphold in a most categorical fashion its statement, even since it has become absolutely certain that the Company has not signed this convention and that the latter was never ratified by the general meeting of shareholders.

Numerous other replies have been given by the representatives of the Government, which have had the effect of undermining the confidence of the Committee in the accuracy of the calculations contained in the Memorandum and the supplementary note of the Financial Adviser. As a matter of fact, on being questioned by the members of the Committee, as to the differences in the figures in the two documents, the representatives of the Government made the following declaration: "The data figuring in the second note have been computed on a more rational basis and are characterised by a greater amount of probability."

This means that the data contained in the first Memorandum lacked a rational basis or any high degree of probability, although we were led to believe that the calculations and hypotheses contained therein were the result of detailed studies and long and careful labours. When one considers that the period passed between the first and second documents amounted only to twenty days, one is justified in asking what amendments might not have been introduced also in the second document had its publication been delayed another twenty or forty days. It follows from this that it would have been far better if the Government had submitted to the General Assembly a scheme well matured and well documented, giving all the terms of the Convention drawn up after careful study and capable of safeguarding to the highest degree possible the prime interests of the country both in the present and in the future, and of securing, if not a preponderance over the interests of the Company, at least the complete equality of the two. With a scheme such as this the General Assembly would then

have dealt more or less quickly either directly or through a committee, and it would then have adopted it with or without amendments. The members of the General Assembly would thus have been able to disperse to their homes inspired with gratitude and admiration towards a Government so thoroughly animated by a concern for the interests of the people and for the harmony which ought to prevail between the governors and the governed.

But what can the Assembly do when the Government confronts it with a scheme such as the present one, elaborated with great precipitation, in other cases so unusual, whose brevity was justified by the Financial Adviser in his Memorandum of October 21, 1909, on the ground of the urgency of the situation? The scheme has not been the subject of any serious examination and is not accompanied by any explanation or documents supporting its figures and data. When the members of the Committee asked the President of the General Assembly for a copy of the Memorandum of the Financial Adviser, which constitutes the sole document containing an indication of the advantages to be derived from the prolongation of the concession, it was unable to obtain it, for the simple reason that no such copy of the document had been communicated to the Assembly. The Committee had to wait six days before it obtained it, as well as certain other documents for which it had applied to the representatives of the Government.

Lastly, it may be affirmed that in spite of its brevity and its intrinsic importance the scheme has come several decades too early.

Now, it is quite impossible to guard against fatal mistakes when one is examining even the most simple question, if one does so in a hurry or attempts to form a judgment on things belonging to a distant future. How much more then is it the case when the subject of examination is such a complicated question as the prolongation for a period of forty years of the Suez Canal Concession which only expires sixty years hence.

It cannot be doubted that the mistake will be enormous, and the resulting harm, both for the present and for the future, still greater. This is the reason why the Committee has not disguised from the General Assembly the system which has been adopted in drawing up the scheme, and which we have

explained above. A study of that system has suggested to the Committee the following conclusions :—

(1) The scheme of the Convention submitted to the General Assembly was not accepted either by the Company or by the Egyptian Government. Consequently it ought only to have been presented to the General Assembly after it had been ratified by the general meeting of shareholders of the Company, since the initiative, as stated officially, does not belong to the Government.

(2) It does not come within the province of the General Assembly to modify the scheme, nor, as already said, has it any interest in doing so.

(3) The calculations which have been made show that the scheme, on the basis of the figures of the Financial Adviser, will entail upon Egypt a considerable loss, estimated by the Committee at £E130,598,000, capital and interest combined.

(4) The fears of the Government, in the case of the concession not being prolonged, are not of a serious nature, and even if some of them appear to merit attention, they, too, need not alarm us, considering that as the years roll by the Company will show itself better disposed to come to an understanding with the Government on less onerous terms, since it will find that only Egypt is able to prolong its existence. As for Egypt, she will be able to negotiate with some other international society for the administration of the Canal.

(5) There is no financial necessity making obligatory the conclusion of an arrangement so prejudicial—the more so because the arrangement refers to a distant future which no man can discount without great error. The present generation has no right to assume the responsibility of it towards the generations to come unless its advantage can be shown unquestionably.

(6) The idea of making the present generation a sharer in the profits of the Canal would have been excellent if it had combined the following conditions :—

(*a*) That no loss or harm should result from this Convention.

(*b*) That the proceeds of the compensation received should be assigned to the carrying out of reproductive undertakings that would justify the Convention in the eyes of future generations, and that the people should be allowed to exercise over the administration of public finances a control which would assure the efficient fulfilment of this condition.

Considering that the loss which would result from this combination is considerable, and that, on the other hand, the Government has not yet permitted the nation to take part in the administration of purely financial and internal matters;

Considering, further, that the Convention refers to a period too distant to admit of an exact judgment, and that its acceptance seems to be premature from every point of view;

For these reasons

The Committee is unanimously of opinion that the scheme of the Convention ought to be rejected, and it behoves the General Assembly to take a definite decision on the matter.

INDEX

INDEX